

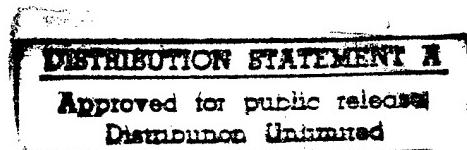
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21 November 1984

# China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS



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21 November 1984

**CHINA REPORT**  
**POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS**

**CONTENTS****PEOPLE'S REPUBLIC OF CHINA****INTERNATIONAL AFFAIRS****SOVIET UNION**

- |   |   |
|---|---|
| USSR Sends Tikhonov to Gandhi Funeral<br>(XINHUA, 2 Nov 84) ..... | 1 |
|---|---|

**NEAR EAST/SOUTH ASIA**

- |  |   |
|--|---|
| Indian Military Delegation Leaves for USSR<br>(XINHUA, 30 Oct 84) .....                                    | 2 |
| Beijing Radio Interviews Maldivian President<br>(Beijing in English to East and South Africa, 28 Oct 84).. | 3 |
| Tunisia's Mzali on Tunisian-Chinese Cooperation<br>(Gao Changjun; RENMIN RIBAO, 24 Oct 84) .....           | 5 |

**WESTERN EUROPE**

- |   |   |
|---|---|
| <b>Briefs</b>                           |   |
| Italian Parliamentarians Visit Shanghai | 7 |
| Turkish Foreign Minister Visits         | 7 |

**SUB-SAHARAN AFRICA**

- |   |   |
|---|---|
| XINHUA Roundup Views Ethiopia's Drought<br>(Teng Wengqi; XINHUA, 30 Oct 84) ..... | 8 |
| <b>Briefs</b>   |   |
| Talk With Senegal Official  | 9 |

### NATIONAL AFFAIRS

Young People Urged To Eliminate Influence of Cultural Revolution (Lu Min; ZHONGGUO QINGNIAN BAO, 23 Aug 84) .....	10
Support of One-Party System Justified (Yang Chengming; XUEXI YU YANJIU, No 8, 5 Aug 84) .....	12
Thirty-Five Years of Educational Work Applauded (Huang Yao; ZHONGGUO JIAOYU BAO, 4 Sep 84) .....	16
Training of Minority Nationality Cadres Discussed (Bi Hua, Yang Qiru; MINZU TUANJIE, No 9, 1984) .....	22

### REGIONAL AFFAIRS

#### EAST REGION

Construction of Institutions of Higher Learning (ZHONGGUO JIAOYU BAO, 18 Aug 84) .....	26
Qin Hezhen's Speech on Congress Work (DAZHONG RIBAO, 19 Oct 84) .....	28
Jiangxi Completes County, Township Elections (Jiangxi Provincial Service, 25 Oct 84) .....	31
Meeting on Recruiting Intellectual Party Members (Shandong Provincial Service, 31 Oct 84) .....	32
Briefs	
Jiangsu Party Congress Delegates Elected	33
Guo Feng Returns From Japan	33
Shanghai Delegation to Osaka Returns	33
Jilin Religious Organizations	34
Shanghai Group Examines Intellectuals Policy	34
Zhejiang Population Growth	34

#### CENTRAL-SOUTH REGION

Hainan Issues Regulations on Exchange of Talented People (Hainan Island Service, 31 Oct 84) .....	35
Reformed Prisoners Released, Granted Reduced Sentences (Hunan Provincial Service, 25 Oct 84) .....	37
Hubei To Recruit More Intellectuals Into Party (Zhong Shuqiao; Hubei Provincial Service, 26 Oct 84) ....	38
Guangdong Adopts New Personnel Staffing Method (Guangdong Provincial Service, 28 Oct 84) .....	40

Guangzhou Military Region Meeting Honors Hero (Guangdong Provincial Service, 28 Oct 84) .....	41
Former KMT General Posthumously Recognized as Martyr (Guangxi Regional Service, 23 Oct 84) .....	42
More Hunan Peasants Studying in Colleges (XINHUA, 28 Oct 84) .....	43
Hunan Leaders Attend Physical Training Work Conference (Hunan Provincial Service, 30 Oct 84) .....	44
<b>SOUTHEAST REGION</b>	
Educational System for National Minorities (Wang Maoxiu; GUANGMING RIBAO, 8 Sep 84) .....	45
Sichuan: Provincial Conference on Judicial Work Closes (Sichuan Provincial Service, 25 Oct 84) .....	47
Sichuan Cracks Down on Criminal Activities (He Wenzhen; SICHUAN RIBAO, 12 Sep 84) .....	48
<b>Briefs</b>	
Chu De's Watch Presentation	50
Ancient Tibetan Paintings Exhibit	50
<b>NORTHWEST REGION</b>	
Reshuffle of College and University Leadership Ended (SHAANXI RIBAO, 20 Aug 84) .....	51
Shaanxi Prisoners Studying To Improve Selves (Beijing in English, 30 Oct 84) .....	53
<b>Briefs</b>	
Gansu Delegation to New Zealand	55
Xinjiang Standing Committee Meeting	55
Qinghai Islamic Classics Course	55
Non-Party Cadres	56
<b><u>MILITARY AND PUBLIC SECURITY AFFAIRS</u></b>	
Sichuan Steps Up Militia Building (Zhang Yuanshu, Zeng Xiangrong; SICHUAN RIBAO, 13 Aug 84)	57
Public Security Educational System Established (Zhang Jiang; ZHONGGUO FAZHI BAO, 18 Jul 84) .....	61
Success Achieved in Crackdown on Crimes (SHAANXI RIBAO, 22 Aug 84) .....	63

Study Shows Characteristics of Criminal Activities (Zhang Fan; ZHONGGUO FAZHI BAO, 22 Aug 84) .....	64
Liaoning Reports Construction of Reserve Forces (LIAONING RIBAO, 5 Oct 84) .....	66
Guangzhou PLA Holds Military Skill Contest (Xu Beiying, Liu Nanchang; XINHUA Domestic Service, 11 Oct 84) .....	68
PLA Units Work To Negate Cultural Revolution (Sichuan Provincial Service, 11 Oct 84) .....	69
<b>Briefs</b>	
Artists, Athletes Honored	70
Qinghai 1984 Recruitment Completed	70

#### TAIWAN

Efforts Stepped Up To Promote Ties With Canada (CNA, 15 Oct 84) .....	71
Premier Rejects Hong Kong Issue Link to Taiwan (CNA, 17 Oct 84) .....	72
Premier Affirms Anticommunist National Policy (CNA, 17 Oct 84) .....	74
Taiwan Foreign Minister on 'Olympic Formula' (CNA, 16 Oct 84) .....	75
Foreign Minister on Aid for Hong Kong Residents (CNA, 15 Oct 84) .....	76
Lee Urges Unity To 'Crush Communist Plot' (CNA, 21 Oct 84) .....	77
CHINA POST Editorial on Premier Yu's Admonition (CHINA POST, 18 Oct 84) .....	78
Premier Yu Addresses Provincial Meeting (CHINA POST, 25 Oct 84) .....	79
Australia, New Zealand Open Trade Offices (CHINA POST, 15 Oct 84) .....	80

#### HONG KONG MEDIA ON CHINA

PRC Leaders Plan 'Capitalist Maritime Zone' (Luo Ping; CHENG MING, No 83, Sep 84) .....	81
--	----

Implications of Current Reform for China's Future Viewed (Wen Hui; CHENG MING, No 84, Oct 84) .....	87
New Insights of Capitalist Economy Discussed (CHENG MING, No 83, Sep 84) .....	105
Hsu Hsing's Views	
Huan Xiang's Views	
Forced Retirement of Old Cadres in China Decreed (Hsu Lai; CHENG MING, No 83, Sep 84) .....	117
XINHUA Deputy Director in Hong Kong Said To Be Recalled (Teng Mei; CHENG MING, No 83, Sep 84) .....	118
China Permits Defectors To Visit Relatives on Mainland (Ying Ying; CHENG MING, No 83, Sep 84) .....	120

SOVIET UNION

USSR SENDS TIKHONOV TO GANDHI FUNERAL

OW021613 Beijing XINHUA in English 1505 GMT 2 Nov 84

[Text] Moscow, 2 Nov (XINHUA)--The chairman of the Soviet Council of Ministers Nikolay A. Tikhonov left today for New Delhi with his delegation to attend the funeral of Indian Prime Minister Indira Gandhi, who was assassinated 31 October.

The death of the Indian prime minister has caused the Soviet Government great concerns. After sending a message of condolence to Gandhi's son, Rajif, on 31 October, president of the Presidium of the Supreme Soviet Konstantin Chernenko went to the Indian Embassy here today to offer further condolences.

In its congratulatory telegram to the new prime minister of India, Rajif Gandhi, on his inauguration, the Council of Ministers stated that the Soviet Union "attaches great importance to the strengthening and development of its traditionally good relations with India."

CSO: 4000/033

NEAR EAST/SOUTH ASIA

INDIAN MILITARY DELEGATION LEAVES FOR USSR

OW301650 Beijing XINHUA in English 1623 GMT 30 Oct 84

[Text] New Delhi, 30 Oct (XINHUA)--Indian Defense Minister S. B. Chavan left here today for Moscow leading a high-powered military delegation on an official visit to the Soviet Union.

The delegation includes the defense secretary, the deputy-chiefs of the three services of the Indian armed forces and the defense production secretary.

The visit is said to be of reciprocal nature to the trip of Soviet Defense Minister Marshal Ustinov to India last March.

India has been recently attacking the United States for supplying sophisticated arms including the E-2C "Hawkeye" aircraft to Pakistan. Indian press has carried reports about the tense situation along the border with Pakistan.

An Indian press dispatch from Moscow said that the Soviet mass media has of late taken serious note of the deteriorating security environs of India and of the growing tension in South Asia.

It is reported that Chavan's talks with Soviet leaders likely include an in-depth exchange of views on the strategic environment in the region, in addition to discussing new plans for Indo-Soviet defense collaboration.

India may ask for the speedup of the delivery of MIG-29 aircraft, the acquisition of the IL-76 giant tactical transport aircraft, retrofitting of the Soviet supplied foxtrot class submarines, supply of new quick reaction surface-to-air missiles, and MI-17 helicopters and the transfer of sophisticated technology.

It is understood that the question of setting up joint organizations for the manufacture and design of equipment for the Indian navy and the army would also be taken up, a UNI report noted.

CSO: 4000/033

NEAR EAST/SOUTH ASIA

BEIJING RADIO INTERVIEWS MALDIVIAN PRESIDENT

OW310355 Beijing in English to East and South Africa 1700 GMT 28 Oct 84

[Text] The president of Maldives, Maumoon Abdul Gayoom, has ended his 4-day visit to China. Before his departure, he told Radio Beijing the impressions of his visit and his government's stand on some international issues. With details, here is (Fang Huijiang):

[Begin recording] [Fang] President Gayoom said the discussions he had with the Chinese leaders have laid a very firm foundation for greater understanding and cooperation between the two countries, and he is impressed by the achievements China has made in the past 35 years.

[Gayoom] An impression that I got is that this is a very large and great country with a very substantial role to play in world affairs, in regional affairs, and that the role China plays is very important to all the developing countries and to the Third World, and I have witnessed and observed the great achievements that the Chinese people have won and achieved under their wise leadership.

[Fang] He said maintaining world peace and security is the collective responsibility of all nations, but he believes that to work closely together, Maldives and China will be doing a great service to the maintenance of world peace.

[Gayoom] And so, I think we can cooperate fully, as I said, at various international forums so that we can contribute to the reduction of tension in the world and in obtaining peaceful solutions to the critical problems that threaten world peace.

[Fang] The Maldivian president said all countries in the world can work together to find peaceful solutions to the problems in the Middle East, Central Africa, and central America as well as Iran-Iraq war. He said to resort to force will only make things even worse.

[Gayoom] We are against military intervention in settling political disputes. We have always supported that negotiation and dialogue should be the methods employed by all countries in solving their problems, and we think that it is

important for all concerned to realize that resort to arms will not solve any problem justly or fairly, but it will lead to more problems.

[Fang] Gayoom called for a speedy implementation of the UN resolution which declares the Indian Ocean a zone of peace. He also urged an early convening of the Colombo conference in which he expected to find a formula for the implementation of the UN Declaration.

Turning to economic issues, the president said South-South cooperation is very important but it is not an alternative to a new international economic order.

[Gayoom] A new international economic order is of vital importance for all countries of the world, both industrialized and primary developing societies. It is vitally important that the developing countries themselves should co-operate with each other so that we can realize and utilize the potentials that are available in these countries so South-South cooperation and the new international economic order, both combined, will achieve the economic and social objectives we are working for.

[Fang] He said economic cooperation between China and Maldives and also other countries is very important in the absence of a new international economic order.

[Gayoom] Even after such an order is established, cooperation between bi-lateral countries will be very important because we have our own potentials which need to be realized. These potentials could be realized to the fullest if there is sufficient cooperation among the countries. The countries of the South or the developing countries themselves possess substantial human and material sources.

CSO: 4000/033

NEAR EAST/SOUTH ASIA

TUNISIA'S MZALI ON TUNISIAN-CHINESE COOPERATION

HK260854 Beijing RENMIN RIBAO in Chinese 24 Oct 84 p 6

[Report by reporter Gao Changjun [7559 1603 4596]: "Tunisian Prime Minister Mzali Speaks on the Fruitful Cooperation Between Tunisia and China"]

[Text] Tunisian Prime Minister Mohamed Mzali, who is visiting China at the invitation of Premier Zhao Ziyang, granted an exclusive interview to this RENMIN RIBAO reporter in the Diaoyutai State Guesthouse in Beijing on the afternoon of 23 October. The prime minister had a cordial and friendly conversation with me and answered my questions.

Prime Minister Mzali said: "My 4-day visit to China, although it has been short, has been very pleasant and fruitful. This was reflected in my conversations with Deng Xiaoping, Zhao Ziyang, and other Chinese leaders whom I was fortunate enough to meet. They paid due attention to Tunisia, spoke highly of President Habib Bourguiba, and were deeply interested in developing Sino-Tunisian cooperation." He added: "Everywhere in Beijing, I felt the Chinese people's friendship and warmth for Tunisia."

He said: "I discovered that the Chinese leaders were enthusiastic about South-South cooperation." He added: "We have signed the minutes of the talks on the setting up of a phosphate fertilizer plant in China with the joint efforts by China, Tunisia, and Kuwait. I am greatly inspired by this."

The reporter asked Prime Minister Mzali to talk about the achievements scored by Tunisia after gaining independence and under President Bourguiba's leadership. The prime minister said: "Despite its limited resources and means and the perilous international economic situation, Tunisia has advanced steadily on the road to development under the leadership of President Bourguiba. We have adopted a series of measures for developing the productive forces, maintaining the people's purchasing power, increasing the wages of staff members and workers, and raising the people's living standard. Tunisia's per capita income is now U.S.\$1,300. Our economic

development plan has been smoothly fulfilled. With the exception of the employment problem, all our development targets have been attained."

Prime Minister Mzali also talked with me about the struggles of the Arab and Palestinian peoples against Israeli aggression and expansion. He said: "In analyzing the international issues with the Chinese leaders, I found that China is firm and unshakable in supporting the Arab and Palestinian people in their just causes. I firmly believe that the Palestinian people will win their legitimate rights. Under the leadership of President Bourguiba, we have fought unremittingly for a quarter of a century in the struggle for independence. Today we are fighting to build our country. During our protracted struggle, we have learned the great importance of unity. It is my hope that the Arab people will not be divided but will unite more closely so that they can more correctly and more effectively support the struggle of the Palestinian people." He also said: "I am glad to see that the Chinese leaders support Arab unity." Finally, Prime Minister Mzali stated that in the future he would devote himself to the development of friendship and cooperation between China and Tunisia.

CSO: 4000/030

CHINA DAILY REPORTER - CHINESE EDITION  
WESTERN EUROPE

ITALIAN PARLIAMENTARIANS VISIT SHANGHAI--A delegation of 15 Italian parliamentarians, headed by Giorgio Lamalfa, chairman of the Standing Committee of the Chamber of Deputies, arrived in Shanghai yesterday evening. They were welcomed by Vice Chairman He Yixiang of the Standing Committee of the municipal people's congress and Fu Hao, vice chairman of the Foreign Affairs Committee of the Standing Committee of the NPC. [Text] [Shanghai City Service in Mandarin 2300 GMT 28 Oct 84]

BRIEFS

ITALIAN PARLIAMENTARIANS VISIT SHANGHAI--The Standing Committee of the Shanghai Municipal People's Congress held a banquet last evening to welcome the delegation of the Foreign Affairs Committee of the Italian Chamber of Deputies headed by Giorgio Lamalfa, the committee chairman. He Yixiang, vice chairman of the Standing Committee of the municipal people's congress, hosted the banquet. Fu Hao, vice chairman of the Foreign Affairs Committee of the Standing Committee of the NPC, who accompanied the Italian guests of Shanghai, was also present. [Text] [Shanghai City Service in Mandarin 2300 GMT 28 Oct 84]

TURKISH FOREIGN MINISTER VISITS--Turkish Foreign Minister Halefoglu, his wife, and the delegation he is leading arrived in Xian on 28 October. That evening provincial Vice Governor Sun Daren met and feted the Turkish guests. The Turkish guests have visited the museum of the clay warriors and horse figures of the Qin Emperor, the Huaqing Pool, [words indistinct] and the Dayan Tower during their stay in Xian. They left for Shanghai today. [Text] [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 29 Oct 84]

CSO: 4005/128

SUB-SAHARAN AFRICA

XINHUA ROUNDUP VIEWS ETHIOPIA'S DROUGHT

OW301632 Beijing XINHUA in English 1606 GMT 30 Oct 84

[*"Round-up: Ethiopia Launches Campaign to Combat Drought (by Teng Wengqi)" -- XINHUA headline*]

[Text] Addis Ababa, 30 Oct (XINHUA)--A campaign has been launched in Ethiopia to combat the severe drought and famine which threaten as many as seven million people with starvation.

With the usual light rain of February-March and heavy rain from June to September failing to materialize as needed, Chief Commissioner for Relief and Rehabilitation Dawit Wolde Giorgis estimates that of Ethiopia's 30 million people, the number facing starvation has increased from five million to more than seven million. Only seven of the country's 102 provinces are said to be unaffected by the drought.

The campaign to counter the worst natural catastrophe to hit Ethiopia this century is concentrating on providing emergency food relief while also working on the longer-term measures of irrigation and conservation, population resettlement and the development of agriculture.

In March, the government established a six-minister committee to monitor the situation and marshal all available resources for the relief work. Both civilian and military aircraft and vehicles have been mobilized to help distribute the emergency grain arriving by sea and air from abroad. In addition to the foreign donations, the government has allocated five million birr (about two million U.S. dollars) for the purchase of grain from internal sources.

Preparations are now under way for moving 50,000 people in the next 3 months from the regions most severely affected by the drought to newly prepared settlements elsewhere in the country.

The country's Relief and Rehabilitation Commission estimates that Ethiopia's food requirement for the next 12 months will be 1.12 million tons, half of which will come from international sources. UN Secretary General Javier Perez de Cuellar has issued an international appeal for aid to Ethiopia. More than 300,000 tons of grain have already been pledged by UN agencies and a number of countries including the World Food Program, the UN Development Program, the European Economic Community, the United States, Canada and China.

SUB-SAHARAN AFRICA

BRIEFS

TALK WITH SENEGAL OFFICIAL--Dakar, 25 Oct (XINHUA)--The new Senegalese Foreign Minister Ibrahima Fall today attached great importance to reinforcing and enlarging cooperation with China. He made this statement when he had friendly talks here today with Chinese Ambassador Liang Feng who conveyed Chinese Foreign Minister Wu Xueqian's congratulations to Fall on his new appointment. Fall said that Senegal was inspired by China's will of independence and development based on the spirit of self-reliance, and by its cooperation with other countries on the basis of the four principles of economic and technical cooperation. [Text] [Beijing XINHUA in English 0847 GMT 26 Oct 84]

CSO: 4000/030

NATIONAL AFFAIRS

YOUNG PEOPLE URGED TO ELIMINATE INFLUENCE OF CULTURAL REVOLUTION

Beijing ZHONGGUO QINGNIAN BAO in Chinese 23 Aug 84 p 1

[Article by Lu Min [0712 2404]: "Young People Should Also Eliminate Influence of Cultural Revolution: Communist Youth League Leaders of Ministry of Commerce Discuss Complete Negation of Cultural Revolution"]

[Text] At the meeting held on the afternoon of 20 August, grassroots-level Youth League leaders discussed the following questions: young people have anything to do with the negation of the cultural revolution? Should those in their twenties who did not participate in the revolution be involved in this effort? The answer is yes.

The Youth League of the ministry devotes much attention to making people realize that it is imperative to negate the revolution through the league's study and education activities. Qi Lanzhou, league secretary of the bureau in charge of the grain trade, said at the meeting, "Most of the league members working in the bureau's offices graduated from college in the last 2 or 3 years. The oldest is 28. They were no more than 10 years old when the revolution started. They did not write posters, nor did they join any political groups. Believing that they were not contaminated by the revolution, they felt that they had nothing to do with the negation of its influence. After studying documents on party rectification and newspaper articles, they have come to realize that the main feature of the revolution was the domination of the leftist way of thinking, which cannot be eliminated all of sudden. Although we did not become involved in factional strife, we directly or indirectly participated in movements such as criticizing Lin Biao and Confucius and the rightist restoration tendencies. We have been, therefore, influenced to some extent."

Talking about his own thinking, Yang Yong who works for the bureau in charge of non-stable food, said, "I started working here after I graduated from college in 1982, and my job was to be in charge of vegetable supply. At that time, the system of production by contract and individual responsibilities was being popularized throughout the nation. The system did not seem acceptable to me. We had been taught in school that socialism meant production done in a collective fashion and under public ownership. To allow individual contracts would change the nature of socialism. Also, it would reduce the annual vegetable growth. Reality turned out to be different from what I had expected.

Farmers became more active, and the nation's vegetable supply increased rapidly as a result. The average annual increase was 30 percent. I have learned from the facts that it is necessary for those who did not participate in the revolution to eliminate the influence of the movement."

The cultural revolution corrupted social values. Some young people have lost respect for law. Cao Yiping points out that of the dozen young people working for the office of housing assignments of the general service department, two have been sent to labor reform farms, which shows that members of this generation are victims of the corruption of social values, although they did not involve themselves in fighting or house searches during the revolution. He points out, "We should educate the young to have a concept of law and to eliminate the influence of the revolution. From this point of view, the negation of the cultural revolution will also be an educational experience for good social morals."

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CSO: 4005/870

NATIONAL AFFAIRS

SUPPORT OF ONE-PARTY SYSTEM JUSTIFIED

Beijing XUEXI YU YANJIU [STUDY AND RESEARCH] in Chinese No 8, 5 Aug 84 pp 26-28

[Article by Yang Chengming [2799 2052 6900]: "Why China Does Not Follow the Bipartisan System"]

[Text] Some people feel that, as the bipartisan followed in the capitalist countries is very democratic, China should do likewise. The inference is that China's current political system is undemocratic. It is a very muddled idea, because it fails to clarify the essence of democracy and its relations with the bipartisan system; therefore, it is not in a position to conclude whether our current political system is democratic or not.

What is democracy? It is the right of the people to express themselves freely and to take part in the management of the state. It refers to the state system, is a form of the state, belongs to the category of the superstructure, and has a class nature. In the final analysis, whether the people of a country enjoy true and broad democracy is determined by the economic base of the particular country.

The democracy of capitalist countries is built on the capitalist economic base. The capitalists' private ownership of production means exerts a determinative influence on the economic base. Owning and monopolizing the production means, the bourgeoisie occupies the dominant position in social production and exploits the hired labor, while the proletariat, having lost its production means, has nothing except its labor capacity and is compelled to sell its labor and suffer the exploitation of the bourgeoisie. Such inequality in economic relations between the bourgeoisie and the proletariat is inevitably manifested in their political relations, and the manifestation is the democracy of the bourgeoisie.

On the surface, everyone in a capitalist society is equal, and everyone has the right to choose his own occupation, participate in the affairs of the state and express himself freely. Actually, as the power of the bourgeoisie is all-pervasive, democracy, equality and freedom are mere hollow words.

In terms of the positions of the various classes in the state, the economically dominant bourgeoisie merges the power of monopoly capital and that of the

state into one and turns the state into a mechanism of violence safeguarding its interest. They rely on such violent means as troops and police to restrict the people's activities within a specific order and establish a political domination of the minority over the majority. How can this be called democracy?

In terms of the right to choose one's own occupation and participate in the affairs of the state, though there is no relationship of personal subservience between the proletariat and the bourgeoisie and there is the freedom to choose one's own occupation, without production means, one can only rely on the sale of labor to survive. On the surface, one can extricate oneself from the exploitation and domination of a particular capitalist, but it is impossible to free oneself from the entire capitalist class. One may campaign for congress or the presidency, but does one have the capital to do so? Many bourgeois scholars said vividly that money fuels the operation of the American election campaign apparatus. Jess Anglu [surname phonetic], former speaker of California's house of representatives, said: "Money is the mother's milk of political activities." According to information in American publications, to be elected, a congressional candidate needs tens of thousands of U.S. dollars; for presidential elections, both the Republicans and the Democrats spend tens or even hundreds of million dollars. All these indicate that the capitalist election activities are as good as buying legislative seats with money. The bourgeoisie controls the state organs from the top to the bottom and the proletariat basically has no right to inquire. How can this be called equality?

In terms of freedom of speech, the bourgeoisie is "not only the material force occupying the dominant position in society, but also the spiritual force." All mechanisms, whether political or cultural, educational and propaganda, are in its hands. By means of such tools of public opinion, it forcefully imbue society with the bourgeois ideology, making it into the dominant ideology, while the proletarian ideology is suppressed. Even if one can freely express one's political views, without capital and the tools of public opinion, one's views can only be restricted within the permitted sphere. How can this be called freedom? Like a shadow, capital watches over one!

According to the Marxist viewpoint, political parties are the products of class opposition and struggle in the modern capitalist society. A political party is an organization which represents a particular class and struggles in defense of its interest. In the capitalist society, the various monopoly capital groups, by means of organizing or funding the party representing their interests, utilize elections to scramble for legislative seats, thereby manipulating the political power of the state. On the surface, the two or more parties in a capitalist country exist together and contend fiercely against one another without letup. Actually, in a bipartisan state, rather than contributing to just one party and ignoring the other, the bourgeoisie contributes to both, because both are its tools. Of course, there are contradictions between the various monopoly capital groups. They regulate the contradictions by means of open and behind-the-scene activities of all kinds. Thus, regardless of which party gains power, there is no big difference as far as the bourgeoisie as a whole is concerned. Mao Zedong once profoundly exposed the

bipartisan system: "It is merely a means to safeguard the bourgeois dictatorship; it absolutely cannot protect the freedom and rights of the laboring people."

Essentially different from the capitalist democracy, socialist democracy is built on the basis of public ownership of the production means. All the laboring people enjoy in diverse forms ownership and control of production means; people's relation in the productive course is one of mutual aid and cooperation on equal ground, and the principle of "from each according to his ability and to each according to his labor" is followed in the distribution of products, thereby eliminating the exploiting system. Besides the economic life, socialist democracy is also manifested in the political, cultural and social lives.

In a socialist country, all powers come from the people and belong to the people. The people are the master of the state and manage all social, economic, and cultural and educational affairs of the state. The people's congresses of the various levels and their standing mechanisms are authoritative people's power organs. All state organs must be responsible to the people, rely on their support and accept their supervision. The leading personnel of all levels in the state and socioeconomic organs are the servants of the people and give expression to their will. The people have the right to recall, as well as elect, them. In the basic level political power and the various basic level economic and cultural organizations, each and every citizen may participate in discussing and deciding on the various public affairs affecting their lives and interests, and express his opinion directly to the supreme power organ. Therefore, socialist democracy is a democracy serving the interest of the worker class and the broadest majority of the people.

Socialist democracy cannot cast off the leadership of the Communist Party. Why? Because the worker class represented by the Communist Party is the most progressive class linked with modern mass production and a selfless class. It wants to eliminate private ownership and liberate all mankind, and its basic interest is identical with that of the broad masses. As the mirror of such class characteristics, the party has no special interest other than the interest of the worker class and the broadest majority. Today, the supreme interest of the people of the whole country is the socialist modernization program. However, as stated by Comrade Deng Xiaoping, "in such a large country as China, it is unthinkable for us to unite the thinking and strengths of several hundred million population to build socialism without a party composed of members with a high degree of awareness, discipline and spirit of self-sacrifice which can truly represent and rally the people; it is unthinkable without the unified leadership of such a party. We would fall apart and accomplish nothing." Deviating from the party's leadership and the interest of the majority, democracy will turn into a hollow term.

The CPC's leadership position was formed in the history of more than 6 decades of struggle. Some people think that such leadership makes it a one-party system. Actually, it is a biased view. China follows the multi-party cooperation system under the leadership of the CPC. Comrade Deng Xiaoping pointed

out: "Multiparty cooperation under the leadership of the CPC is determined by China's specific historical and practical factors." It is a characteristic and a strong point of China's political system.

Most of China's democratic parties were born during the Japanese and liberation wars. Under the CPC's impetus, aid and influence, they coordinated with the CPC and waged an arduous struggle, and each made its contributions to the victory of the new democratic revolution. In the 30-plus years since the founding of the nation, the various democratic parties, under the leadership of the CPC, have shared the same storm-tossed boat, worked together with one heart and become the sincere friends of the CPC. Particularly after the 3d Plenary Session of the 11th party Central Committee, they have been utilizing their own strong points and favorable factors to perform large amounts of beneficial work in improving the economic results, importing foreign capital and technology, assisting the collective economy and finding jobs for the unemployed, thereby making a positive impact and winning the commendations of the party and the people. In a capitalist country, the relation between the ruling party and others is one between the "party in office" and the "parties out of office." In China, all the democratic parties enjoy, within the sphere of the constitution, political freedom, organizational independence and legal equality. Many of their members perform leadership functions on national, provincial and municipal levels. The CPC's principle of multi-party cooperation is always consistent. The party's "12th Congress" proposed: "Our party must continue to uphold the principle of 'long-term coexistence, mutual supervision, utter devotion to one another, and sharing the honor and the disgrace' and strengthen cooperation with the various democratic parties, democratic figures without party affiliations, minority figures, and patriotic figures in the religious circles." The proposal, conforming to the interest of the broadest majority, was favorably received by all parties. Therefore, China basically has no need for the bipartisan system of capitalist countries, because our multi-party cooperation under the leadership of the CPC is much more democratic than their bipartisan system.

(The author is a cadre of the organization department, HuaiBei municipal party committee, Anhui province.)

6080

CSO: 4005/040

NATIONAL AFFAIRS

THIRTY-FIVE YEARS OF EDUCATIONAL WORK APPLAUDED

Beijing ZHONGGUO JIAOYU BAO in Chinese 4 Sep 84 p 1

[Article by staff reporter Huang Yao [7806 1031]: "China Achieved Huge Successes in Its Educational Affairs in the 35 Years Since the Founding of the PRC. China Now Has More Than 1 Million Schools of Every Grade and Type, Over 213,850,000 Students Attending Schools--One-Fifth of the Whole Population--and Over 11.8 Million Educational Staff and Workers. In the Past 35 Years, China Has Trained Over 16 Million Senior and Medium-Ranking Specialists and a Reserve Work Force of Over 180 Million With Junior Middle School Education"]

[Text] In the 35 years since the founding of the PRC, a great development has taken place in our country's educational affairs, under the leadership of the party and of the people's government, and huge successes have been achieved. These achievements are mainly evident in the following areas:

First, the initial formation of a comparatively complete system of socialist education from preschool education to the training of graduate students, a system that has already grown to considerable proportions.

In 1983, there were 680 units in the country that trained graduate students, with 37,137 of them engaged in specialized studies toward master and doctoral degrees. This is an increase of 58 times compared with the 1949 figure of 629 persons. There are 805 general colleges and over 850 colleges for professional training; the students studying the specializations offered in these colleges number 1,206,800, or 9.4 times more than the 1949 figure of 116,500. There are 1,196 colleges of various kinds for adult education with an enrollment of 1,128,400 students, of which 926,100 are pursuing specialized studies offered at their colleges. A system of higher education with a fairly complete range of grades, fields and specializations has indeed already initially taken shape.

In 1983, there were 3,090 technical secondary schools throughout China and 861 secondary teachers training colleges with an enrolment of 1,143,300 students, 4 times more compared with the 1949 figure of 228,800. There are 3,443 technical schools with an enrolment of 525,000 students. In the last few years, there was a great development of agricultural and vocational secondary schools; in 1983 their number reached 5,480 with an enrolment of 1,220,100 students. There are 96,500 general secondary schools with an enrolment of 43,977,300 students, 41.3 times more compared with the 1949 figure of 1,039,000. There are, furthermore, 96,600 adult secondary schools, with 9,747,500 students attending. The reform of the structure of secondary education has achieved initial successes.

In 1983, there were 862,200 elementary schools in the country, with an enrolment of 135,780,000 pupils, 4.6 times more compared with the 1949 figure of 24,390,000. The enrolment in various elementary schools for adults reached 8,172,400. There are 319 schools for the blind and deaf-mute with an enrolment of 35,700 students. There are 136,300 nursery schools with 11,402,500 infants in these schools.

Students at all schools of various grades and kinds throughout the country presently number 213,850,000 (including infants at nursery schools), making up one-fifth of the total population of the country.

Second, the institutions of higher learning and the vocational secondary schools have trained more than 16 million senior and medium-ranking specialists.

In the past 35 years, there have been 41,800 postgraduate and graduate students. From 1981, when academic grades were restored, to the end of 1983, 29 students attained doctor degrees, and 18,143 students obtained master degrees. There were 4,110,200 students who graduated from special fields of general colleges and universities, or 19.5 times more than the total number of 210,800 colleges and university graduates in pre-liberation times (1912-1947). There have been 7,223,600 graduates from general vocational secondary schools, or 13.2 times more than the total number of 546,700 graduates from secondary vocational schools during pre-liberation times (1931-1946). There have been 2 million graduates from various kinds of colleges and universities for adults (equivalent to vocational colleges), and there were 2,900,000 graduates from technical secondary schools for adults (equivalent to general technical secondary schools). In the last 35 years, over 16

million senior and medium-ranking specialists have been supplied for work at the various fronts. They are a generation of intellectuals of a new type, raised in and by our own country, and constitute an important backbone force in our country's construction of the four modernizations. In addition, our general secondary schools, agricultural and vocational schools have trained for the state more than 188 million as a reserve work force with an educational level of junior middle school and higher, who are a powerful support for the cause of socialist construction, and who have considerably raised the educational level of the people throughout the country.

Third, great progress has been made in universal elementary school education.

In the past 35 years, especially after the 3d Plenum of the 11th CPC Central Committee, the policies of "walking on two legs," of starting out from the realities, of suiting measures to local conditions and of maintaining a variety of forms in running schools, have been implemented everywhere with the result that great progress has been achieved in universal elementary school education. The rate of school attendance of children of school age throughout the country has risen from 25 percent in 1949 to 94 percent in 1983. There are even 14 provinces or centrally administered municipalities and 1,195 administrative units of county rank where the school attendance rate of children of school age has reached and even exceeded 95 percent. Presently, all cities and certain economically advanced districts throughout the country have instituted universal elementary school education and some cities have instituted universal junior middle school education.

Fourth, remarkable success has been achieved in wiping out illiteracy.

According to still incomplete statistics, illiteracy has been eliminated throughout the country for as many as 150 million people, and the rate of illiteracy declined from 80 percent in 1949 to 23.5 percent in 1982. The rate of illiteracy dropped to about 30 percent for able-bodied young peasants and to 5 percent for staff and workers.

Fifth, rapid development of education for minority nationals.

The autonomous regions of our minority nationals are not only running elementary schools, secondary schools and vocational secondary schools, but have also established colleges and universities. In order to speed up the training of cadres and specialists in various fields, the state has specially established 10 nationality colleges. In 1983, students of the national minorities in the various grades and types of schools of the country numbered 10,140,000 (among these, 59,600 were in general secondary schools, 82,200 in vocational secondary schools), or over 9 times more than 1951.

Sixth, scientific research work scored great successes.

Construction during the past 30-odd years has provided our colleges and universities with laboratory equipment of considerable scope and an abundant instructional and scientific research force, so that these institutions have by now become an important front army in our country's scientific research. One group of key universities constitutes an important base for our country's scientific research work.

From 1978, when the state restored the issue of awards for inventions, to 1983, out of the 642 cases which the state approved for the issue of invention awards, 170 awards were won by institutions of higher learning, accounting for 26.5 percent of the total awards. Out of the 122 awards in the natural sciences selected by the State Scientific and Technological Commission in 1982, the institutions of higher learning (including cooperating units in other organizations) won 56 awards, which is 46 percent. The dissemination and application in actual production of the fruits of scientific and technological work at the colleges and universities achieved remarkable economic results. Equally good results were achieved in philosophy and social sciences research at the liberal arts departments of our colleges and universities. Many professors and research workers vigorously participated in the study of major actual and theoretical problems in our country's construction of the four modernizations and made valuable contributions.

Seventh, increased development of foreign exchange activities.

During the past 35 years, China dispatched more than 30,000 of its personnel for studies abroad; 24,557 of these were sent by departments of the Ministry of Education. After graduation, 15,131 returned from their studies abroad. Students from

foreign countries accepted for studies in China numbered 13,394; presently there are over 2,200 foreign students in China. More than 100 colleges and universities have established academic relations with over 200 foreign colleges and universities, and scholarly interchanges as well as scientific-technological cooperation is rapidly increasing. These activities have promoted contacts and cooperation with foreign universities and research organizations as well as between scholars and have had a stimulating effect on instructional and scientific research work.

Eighth, continuous growth and strengthening of the people's educational work force.

In 1983, the number of fulltime teachers in all grades and types of schools in our country was 9,234,000; this is 8.9 times more than the 1949 figure of 935,000. Among these, 358,000 were fulltime teachers at all types of institutions of higher learning, which is 21.4 times more than the 16,000 in 1949. There were 2,962,000 fulltime teachers at all types of secondary schools, which is 34.7 times more than the 83,000 in 1949. There were 5,914,000 fulltime teachers at all types of elementary schools (including schools for the blind and deaf-mute and nursery schools), which is 6.1 times more than the 836,000 in 1949. The total number of educational staff and workers at all grades and types of schools is presently as high as 11,867,500, which is 10.6 times more compared with 1,023,000 in 1949.

Ninth, the gradual improvement in the conditions for running our schools of all grades and types.

In the past 35 years, the state allocated 134,851 million yuan as educational funds and invested 16,288 million yuan in capital construction for education. Industrial and mining enterprises, rural collectives and economic organizations, the masses and overseas Chinese also raised funds to operate schools. Especially after the 3d Plenum of the 11th CPC Central Committee, all localities and departments generally attached great importance to investments in intelligence. Operating funds and investments in capital construction for educational purposes increased year by year, and instructional equipment and operating conditions at all grades and types of schools are in the process of being constantly improved.

China's educational undertakings have experienced a great development during the past 35 years, however, are still not consonant with the needs of the country's economic

construction and social developments. There is still need for further adjustments, restructuring, consolidation and improvement. At present, observing the directive put forward by Comrade Deng Xiaoping, namely that "education must turn toward modernization, toward the world and toward the future," our educational front is making great efforts to build up a socialist educational system with Chinese characteristics and to realize the lofty goals put forward at the 12th CPC National Congress.

9808  
CSO: 4005/101

NATIONAL AFFAIRS

TRAINING OF MINORITY NATIONALITY CADRES DISCUSSED

Beijing MINZU TUANJIE [NATIONAL UNITY] in Chinese No 9, 1984 pp 8-11

[Article by Bi Hua [3968 5478] and Yang Qiru [2799 0796 0320]: "Achievements in the Training of Minority Nationality Cadres Since the Founding of the People's Republic"]

[Text] The People's Republic of China--a big family of fraternal unity among all of China's nationalities--is celebrating its 35th anniversary. In the past 35 years, one of our party's tremendous achievements in nationality work has been the training of an immense corps of minority nationality cadres while at the same time advancing the cause of socialism in every minority nationality area.

Our party has consistently valued the training of minority nationality cadres and cared about their growth. As early as the period of democratic revolution, the party paid attention to the recruitment of such cadres and, moreover, trained a group of proletarian revolutionaries from the minority nationalities. After the founding of the People's Republic of China, our party's high strategy was to solve the internal nationality question thoroughly, and it made the timely proposal of a policy of widespread training of large numbers of minority nationalities. On 24 November 1950, with Comrade Zhou Enlai presiding, the 60th government affairs meeting of the Government Administration Council approved two plans proposed by Comrade Li Weihan [2621 4850 3352], then the chairman of the Nationalities Affairs Commission of the Central People's Government: "the Trial Program to Train Minority Nationality Cadres" and "the Trial Program to Make Preparations for the Central Nationalities Institute." These programs were pioneering efforts in the history of the development of the relations among all of China's nationalities and played an extremely great role in propelling forward the training of minority nationality cadres. Afterwards, 10 nationalities institutes were established throughout China, one after another. All forms of minority nationality training classes or schools were set up everywhere. In every movement and in every kind of practical work, attention was paid to the recruitment of activists from minority nationalities into the cadre ranks, and many members of those nationalities quickly became mature cadres. In the 7 years from 1950 to 1957, the number of minority nationality cadres rose from 40,000 on the eve of the establishment of the People's Republic to more than 400,000. In every minority nationality area, these cadres promoted regional national autonomy,

carried out democratic reforms and socialist transformation and played an important role in every type of political, economic and cultural construction.

After 1958, in step with the development of socialist construction, the ranks of minority nationality cadres grew rapidly. Especially because of the development of cultural and educational facilities, large numbers of minority nationality members who had received regular formal education and training enriched the cadre corps. Beginning in 1957, however, "left" deviation in the party's guiding ideology magnified the struggle against local nationalism and caused minority nationality cadres to suffer heavy blows. This was especially true during the decade of the "Great Cultural Revolution," when like Han cadres, minority nationality cadres were devastated.

After the smashing of the "gang of four," and particularly after the 3d Plenum of the 11th CPC Central Committee, our party has corrected the "leftist" errors. Nationality work is once again on the right track of Marxism-Leninism and Mao Zedong Thought, training is being promoted and the Central Committee and the entire party value the correct use of minority nationality cadres' work. In 1978, the party's Organization Department and the State Nationalities Affairs Commission called a forum of minority nationality cadres, with Comrade Hu Yaobang presiding. This forum made suggestions about the earnest and proper handling of the work of minority nationality cadres, as well as about the demand for larger numbers of more mature minority nationality cadres as quickly as possible. It also formulated many concrete policies. Since 1980, the party's Central Secretariat has called many forums for special discussion of work in minority nationality areas. At each forum the training of minority nationality cadres was an important topic. The Central Committee and every locality have adopted many special measures to accelerate the training of such cadres. These measures are as follows: the reopening of nationalities schools throughout China; the combination of preferential admission with proper consideration of minority nationality candidates at China's institutions of higher and secondary education; nationality classes at some key universities; the reestablishment of nationality classes at the Party and Youth League Schools run by the Central Committee, as well as at other schools for party and government cadres; the gradual and planned rotation training of minority nationality cadres; and, after special approval, the recruitment into the cadre ranks of school graduates who have returned to do farm work in their home villages. Through the common hard work of all party organizations and government agencies, the training of minority nationality cadres has made major progress. In 1983, China had 31.7 percent more minority nationality cadres than in 1978.

China now has a corps of minority nationality cadres skilled in politics, economics, science, technology, culture, education, medicine, public health and other fields. This corps numbers more than 1.2 million persons, 31 times as many as on the eve of the founding of the People's Republic in 1949. Each of the 55 minority nationalities is represented in the corps. Even the Oroqen nationality, with fewer than 5,000 members, has 6 of its own cadres for every 100 members. History has already proved that the main stream of China's corps of minority nationality cadres is good and can stand the test of any storm. These cadres uphold four basic principles: loyal execution of

party policy; ardent love for their own nationality; familiarity with their own nationality's and area's conditions; and close links with the masses of their own nationality. They have a strong desire to improve, to study diligently, to bear hardships and stand hard work and to serve the people of every nationality enthusiastically. Working hard in solidarity and cooperation with Han cadres, they have made major contributions to socialist construction in minority nationality areas.

By dint of 35 years of hard work, the political quality, working ability and educational level of minority nationality cadres have all risen considerably, with many splendid cadres having assumed all sorts of leadership posts at levels ranging from the Central Committee to the locality. At present, the chairmen of the 5 autonomous regions, the heads of 31 autonomous prefectures and the magistrates of 83 autonomous counties are native nationality cadres who are practicing regional national autonomy. More than 10,000 minority nationality cadres hold administrative and leadership posts throughout China at the county level or above. During the recent administrative restructuring, a large group of young minority nationality cadres who had met the requirements of the cadres' "four modernizations" was promoted to leadership positions at all levels. In the 5 autonomous regions, minority nationality cadres make up more than 37 percent of all cadres at the local level, the prefectural level or above. Yunnan is a province where many minority nationalities live in compact communities and where nearly 2,000 persons, representing 24 minority nationalities, hold all sorts of leadership posts at the county level or above. The ones newly appointed to party and government leadership posts at the county level make up 37.8 percent of all newly appointed persons at that level. In the Nei Monggol Autonomous Region, more than 400 minority nationality cadres have been newly appointed to leadership posts at the county (or banner) level or above. More than 100 of them hold leadership posts in league, city and autonomous region agencies. In the Tibet Autonomous Region, Tibetan cadres make up more than 80 percent of the chairmen and vice-chairmen of both the government and the Standing Committee of the People's Congress and more than half of the leading group in the Autonomous Region Party Committee. They also make up 5 of the 6 local and city party committee heads. The heads of the party and government hierarchies in all but a very few of the 71 counties are Tibetans.

Before Liberation, the minority nationalities were either not represented or represented by only a few persons in the ranks of specialists and technical personnel. In the past 35 years, China has gradually produced some or many minority nationality specialists and technical personnel in all fields. At the end of 1983, minority nationality specialists and technical personnel--engineers, agronomists, physicians, teachers and others in the natural and social sciences--totaled 750,000, making up more than half of minority nationality cadres. The composition of minority nationality cadre ranks has tentatively improved. Quite a few of the specialists and technical personnel have achieved striking results in socialist construction and in changing the impoverished and backward appearance of their native places, while others have made their achievements in academia. For example, Comrade Wu Tianyi [0702 1131 0001], a Tajik assistant research fellow, has done remarkably well in the field of gaoyuan [7559 0626] heart disease research. Comrade

Jin Chetong [6855 1796 0681], a Korean, has obtained important results in the technique of the direct seeding of paddy rice, as yield per mu in his locality went from 400 jin to 800. These excellent science and technology cadres are minority nationality members who, thanks to training by the party, matured as cadres.

Large numbers of minority nationality women have become mature cadres in the past 35 years. They not only include leading cadres at all levels of party and government but also physicians, engineers, teachers and writers. Female artists well-liked by the people of all nationalities include Xiangdaomeilan [6272 0430 5019 5695] (a Dai), Cui Meishan [1508 5019 0810] (a Korean), Caidanzhuoma [2088 2481 0587 3854] (a Tibetan), Dedema [1795 1795 3854] (a Mongol), Siqinigaowa [2448 3830 7559 1216] (a Mongol) and others. The maturation as cadres of the large numbers of minority nationality women is truly an important sign of the thorough turning over and liberation of China's minority nationalities.

China is now in a new historical period. Party and state have proposed even higher requirements for the training of minority nationality cadres. First, we must eliminate the scarcity of minority nationality cadres. Second, we must work hard to raise our current cadres' levels of Marxism-Leninism and education and their managerial knowledge. Third, in order to develop the economy appropriately in nationality areas, we must make a great effort to train minority nationality scientists, technical personnel and administrative and managerial cadres. Our positive and negative experiences of the past 35 years tell us that a great effort to train minority nationality members to be Communist cadres--including political cadres, specialized and technical cadres and cadres adept at administration and management--is the key to the accelerated development of culture and the economy in minority nationality areas, to the construction of a socialist material and spiritual civilization and to the realization of the party's general goals. We must now work especially hard to train a group of cadres and specialized personnel in the prime of life who have the spirit to open up and forge ahead.

The leading comrades of the Central Committee point out that if minority nationality areas lack large numbers of scientific and technical personnel from their own peoples in the long run, regional national autonomy can only exist in form. Although the ratio of specialized and technical personnel to the total number of cadres is not small among minority nationalities, there are not many middle-level and high-level technical personnel; in fact, there are particularly few high-level personnel and specialists of every kind. This situation must gradually change. We must put in another several decades of hard work so that by the end of the century, each minority nationality will have produced large numbers of scientists, engineers, technicians, social scientists, high-level physicians, entrepreneurs and others. Similarly, we will train more low- and middle-level technicians so that the appearance of minority nationalities and their areas will undergo fundamental change. Then the accomplishment of our party's basic task in the area of the nationality question will have a reliable guarantee.

12570  
CSO: 4005/093

EAST REGION

CONSTRUCTION OF INSTITUTIONS OF HIGHER LEARNING

Beijing ZHONGGUO JIAOYU BAO in Chinese 18 Aug 84 p 1

[Article: "Shanghai Devotes Attention to Improvement of Local Colleges and Universities"]

[Text] A few days ago, the Shanghai municipal people's government evaluated and passed on a report by the Shanghai Municipal Higher Education Department on stepping up the construction of local schools of higher learning. The report indicated that by 1990, the enrollment in these schools will reach 55,000 students.

The city government calls upon all departments to support local higher education. The number of local universities run by the city government has increased from 8 before the cultural revolution to 21, which make up 50 percent of the total number of universities in Shanghai. The 21 universities claim 8,000 faculty members and staff, 30,000 undergraduates and 500 graduate students.

The report issued by the city government of Shanghai required that all departments and trades support the local universities, help them solve some urgent yet indeed soluble problems and encourage personnel departments to invest in educational and training programs. Local universities should collaborate on projects with other research institutes, factories, suburban counties, communes and towns. They should also attract funds for educational construction. Teachers from local universities should be invited to participate in various activities and programs such as study trips and visits to foreign countries, imported technical projects, scientific research and technical renovation. Industrial institutes should provide the students sites for class practice and should include their practice projects into their own plans of production. Departments concerning library information, publications, censorship and foreign exchange should also provide conveniences to the local universities.

To solve the problem of the faculty shortage, starting this year, the city government will allot 500 city residentships to local universities so that they can hire MA or PhD graduate students and intellectuals at the associate professor level. More teachers should be sent abroad to study.

Universities should invite local specialists as well as those from other places to give lectures and help train their young teachers. Each year, big prestigious universities should send some of their good teachers to teach at the local universities. From 1985 to 1990, construction funds allotted to the local universities will be increased to 25 million yuan (not including funds for the construction of residential areas). There will also be a plan for the construction of 800 square meters of residential area for faculty members and staff. Construction sites for local colleges should be specially allotted. This construction should be given priority and should be completed on time.

In order to accelerate the training of highly qualified experts and achieve a larger number of scientific research results, the city will allot 10 million yuan (including funds for basic construction and equipment) to support popular or new fields of studies. The city will also provide a certain number of microcomputers to local universities, although with special consideration for some of them in order to help improve the student's ability to use computers.

12699

CSO: 4005/870

EAST REGION

QIN HEZHEN'S SPEECH ON CONGRESS WORK

SK310321 Jinan DAZHONG RIBAO in Chinese 19 Oct 84 p 2

[Speech by Qin Hezhen at the provincial experience-exchange meeting on the standing committee work of city and county people's congresses, entitled: "Efforts Should Be Made To Boldly Conduct Exploration and Practice and To Pioneer the Road of Advance in Order To Achieve Success in Conducting the Work of Local People's Congress Standing Committees"]

[Excerpts] Comrades: As of 19 October, the provincial experience-exchange meeting on the standing committees work of the city, county (district) people's congresses has proceeded into the sixth day. Now, I would like to speak on the following three issues in line with the opinions voiced at the meeting and discussed by the chairmen of various People's Congress Standing Committees:

1. We should correctly appraise the work done by the local People's Congress Standing Committees over the past few years, carry forward their achievements, and should continuously make progress.

Since the end of 1979, the local People's Congress Standing Committees at all levels throughout Shandong Province have been successively established. Over the past 5 years, we have done much work and scored gratifying achievements in earnestly implementing the line, principles, and policies set forth in the period since the 3d Plenum of the 11th CPC Central Committee; conducting exploration and practice in line with the central task of economic construction while engaging in study; steadily eliminating the "leftist" influence and out-of-date traditional ideas; and in gradually establishing the normal order of work according to the power authorized by the Constitution and the Organic Law for Local Congresses and Governments. At present, the situation prevailing in the work of the local People's Congress Standing Committees is excellent. Over the past few years, we have chiefly scored achievements in the following aspects:

- 1) We have perfected the system of convening local People's Congresses.
- 2) We have strengthened the building of socialist legal systems.
- 3) We have exercised the power of local People's Congress Standing Committees in line with the law.

4) We have strengthened the self-improvement of the People's Congress Standing Committees.

2. We should perform in an overall way the duties of local People's Congress Standing Committees by focusing on fulfilling the general task and target set forth by the party for the new historic period.

We should take up the work of discussing important matters and adopting resolutions on them.

We should conduct supervision over the work of "the People's Courts" and "the People's Procuratorates."

We should exercise our power to approve personnel changes.

We should engage in the work of establishing contact with the people's deputies.

3. We should adapt to the new situation, foster new ideology, and steadily improve our workstyle and work methods.

At present, our country has entered a new period of historical development, thus, the work of the People's Congress Standing Committee is also going through a big change and the task we face is very arduous. Comrades in charge of the work of the People's Congress Standing Committee must clearly discern their heavy historical tasks and plunge into the new and grand cause with brand-new mental attitudes.

1) We should foster the ideology of pioneering the road of advance. The establishment of local People's Congress Standing Committees represents an important transformation of building political power in the country and a great practice of building socialist political systems that reflect the Chinese characteristics. However, it is inevitable for us to encounter various difficulties and obstruction, because we have no existing experience for reference due to this totally new kind of work. This urges us to heighten our spirit and to boldly and actively unfold our work.

2) We should uphold the system of having collectives in charge. The People's Congress is a form of political power under democratic centralism and the Standing Committee is its permanent organ. In performing its duties, the congress must uphold the principle of approving issues and exercising its power collectively.

3) We should earnestly carry out investigations and studies. Investigation and study are the basic work method of the People's Congress Standing Committee and are also the foundation of correctly performing its duties. Only by deeply carrying out investigations and studies can the People's Congress Standing Committees have definite objects in supervising over the work of "the People's Government," "the People's Court," and "the People's Procuratorate," and enable its decisions and resolutions to be suitable to reality and to be practically feasible.

4) We should further make efforts to study. At present, our country is in the stage of conducting mass reforms and the work of the People's Congress Standing Committee is also in the course of withstanding the great transition and transformation. Therefore, every comrade is urged to study again and to renew his knowledge. Efforts should be made to earnestly study Marxism, Leninism; Mao Zedong Thought; the party's line, principle, and policies; and scientific and cultural knowledges. Particularly, comrades in charge of the work of the People's Congress Standing Committee should study the Constitution, the State Law, and jurisdical knowledge so as to gradually know well the law and master it.

5) We should actively submit ourselves to the party's leadership. Experiences gained by various localities have shown that the key to success in the work of the People's Congress lies in submitting the work to the party's leadership and conducting the work by relying on the party's leadership. Relying on the party's leadership means that we should pay every attention to consciously acting in high unison politically and ideologically with the CPC Central Committee. Efforts should be made to earnestly implement the Constitution and the State Law and the party's line, principles, and policies set forth in the period since the 3d Plenum of the 11th CPC Central Committee.

Only by doing so can the People's Congress Standing Committee win the attention and support of the party committees on its work.

CSO: 4005/143

EAST REGION

JIANGXI COMPLETES COUNTY, TOWNSHIP ELECTIONS

OW261003 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 25 Oct 84

[Excerpts] The Jiangxi Provincial Election Committee held its fourth meeting on election work in Nanchang from 23 to 25 October. The meeting studied the communique and the decision of the 3d Plenary Session of the 12th CPC Central Committee, and summed up the experience of direct elections in counties and townships. Xie Xianghuang, vice chairman of the Standing Committee of the Jiangxi Provincial People's Congress and vice chairman of the provincial election committee, made a summing-up report on the direction elections in counties and townships of Jiangxi Province.

He said: Jiangxi Province began experiments on direct elections in selected counties and townships in September 1983, and completed its second province-wide county and township direct elections by September 1984. During the direct elections, 102 county, city and district level constituencies and 1,722 townships and towns elected new people's deputies, held new county, city, district, township and town people's congresses, and elected new leading bodies of county, city, district, township, and town governments.

At the end of the meeting, Ma Jikong, chairman of the standing committee of the provincial people's congress and chairman of the provincial election committee, delivered a summing-up speech.

The participants to the meeting included Huang Xiandu, vice chairman of the standing committee of the provincial people's congress and vice chairman of the provincial election committee; all members of the provincial election committee; responsible persons of prefectoral, city, county, township, and town leading groups for elections; responsible persons of the liaison offices of the provincial people's congress standing committee in various localities; responsible persons of county, city and district election committees and election offices; and the comrades from various provincial departments concerned.

CSO: 4005/143

EAST REGION

MEETING ON RECRUITING INTELLECTUAL PARTY MEMBERS

SK010758 Jinan Shandong Provincial Service in Mandarin 2300 GMT 31 Oct 84

[Text] The party committee of the provincial-level organ recently held a meeting to exchange experience in recruiting intellectuals into the party. Introducing experience and practices in recruiting intellectuals into the party at the meeting were comrades of party committees of the provincial medical science academy, the provincial power bureau, the provincial architectural design institute, and the provincial metallurgical design institute.

The meeting stressed: We must regard the issues of further eliminating the leftist influence and solving the problems concerning intellectuals' difficulties in joining the party as an important part of party rectification and of the implementation of the policy on intellectuals as well as an important sign of political unity with the CPC Central Committee.

The meeting pointed out: Provincial-level organ party organizations at all levels have done much work in developing intellectuals into party members, and have scored certain achievements in this. However, they do not meet the needs of the new situation in socialist modernization, and the work of developing intellectuals into party members does not meet the demands to raise the political awareness of intellectuals. At present, some units still fail to thoroughly eliminate the difficulties intellectuals have in joining the party. Some party members and cadres are deeply influenced by leftist ideology and are still prejudiced towards intellectuals. They do not ideologically regard intellectuals as part of the working class, but demand perfection from them. Some are jealous of their merits and talents and have adopted unrealistic and abnormal measures to stop them from joining the party. Some party organizations did not permit those intellectuals who applied to join the party, nor did they conscientiously assist and educate them. The earnest feelings of intellectuals toward the party were treated coldly.

The meeting stressed: Provincial-level organ party organizations at all levels should further strengthen their understanding of the significance of developing intellectuals into party members, regard the issue of eliminating the difficulties of intellectuals in joining the party as an important part of party rectification, and treat it as importantly as ensuring that the ranks of the cadres become younger in average age, well educated, more revolutionary and more professionally competent; the implementation of the policy on intellectuals, success in reform, and the realization of the party's general goal; and take measures to achieve conscientiously the work of recruiting intellectuals into the party.

EAST REGION

BRIEFS

JIANGSU PARTY CONGRESS DELEGATES ELECTED--According to a report by this station, provincial-level organizations held a party delegates' meeting from 25 to 27 October. After repeated consultations and discussions, the meeting elected 189 delegates from the provincial-level organizations to attend the Seventh Provincial Party Congress. Among them were responsible party cadres from party and government organizations at all levels in the province, specialized and technical personnel in the various fields, and model workers. The meeting also made plans on how the provincial-level organizations should study and implement the documents of the 3d Plenary Session of the 12th CPC Central Committee, and other issues. Comrade Luo Yunlai, member of the Standing Committee of the provincial party committee, spoke at the meeting. [Text] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 27 Oct 84]

GUO FENG RETURNS FROM JAPAN--On 11 October, Japan's Kanagawa Prefectural Representative Assembly gave a banquet in Yokohama to warmly welcome the delegation of the Liaoning Provincial People's Congress, led by Zhang Zhengde, chairman of the Standing Committee of the provincial People's Congress, and with Guo Feng as adviser. At the invitation of Toyama and Kanagawa Prefectural Representative Assemblies, the Liaoning delegation arrived in Japan on 5 October. After visiting Toyama Prefecture, the delegation arrived in Kanagawa Prefecture on 10 October. [Excerpts] [Shenyang LIAONING RIBAO in Chinese 14 Oct 84 p 1]

SHANGHAI DELEGATION TO OSAKA RETURNS--A goodwill delegation of the Standing Committee of the Shanghai Municipal People's Congress successfully ended its visit to Osaka Prefecture, Japan, and returned to Shanghai by plane on 27 October. The delegation was headed by Hu Lijiao, Chairman of the Standing Committee of the Shanghai Municipal People's Congress. Shi Ping, vice chairman of the Standing Committee of the Municipal People's Congress, served as its deputy head. Its members included Yang You, member of the Standing Committee of the Municipal People's Congress; and (Lin Deming), vice chairman of the Legislative Affairs Commission of the Standing Committee of the Municipal People's Congress. The delegation visited Osaka at the invitation of [name indistinct], speaker of the Osaka Prefectural Council. The delegation was met at the Shanghai Airport by Zhao Zukang and Wang Tao, vice chairmen of the Standing Committee of the Shanghai Municipal People's Congress; and (Cai Meihua), deputy secretary general of the Standing Committee of the Municipal People's Congress. [Text] [Shanghai City Service in Mandarin 2300 GMT 27 Oct 84]

JILIN RELIGIOUS ORGANIZATIONS--Jilin Province has further implemented the policies on religion since the 3d Plenary Session of the 11th CPC Central Committee. Religious activities began to become normal. Over the past few years, various forms of patriotic religious organizations have been established in various places of the province. So far, six provincial-level patriotic religious organizations have been restored or established. City- and autonomous prefectural-level patriotic religious organizations have also been opened throughout the province. A group of such places is being repaired with strenuous efforts for opening in the near future. More than 100 personages of religious circles have been lined up to serve as deputies to people's congresses at various levels and members of CPPCC committees over the past few years. In addition, the province has done a great amount of work in implementing the policy concerning house property of religious organizations, solving the difficulties in the daily lives of professional religious personnel and training young professional religious personnel. [Text] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 13 Sep 84 SK]

SHANGHAI GROUP EXAMINES INTELLECTUALS POLICY--The Shanghai Municipal CPPCC Committee's 8-day inspection of six units on their progress in implementation of the policy on intellectuals ended on 25 October. Members of the municipal CPPCC committee inspected the municipal textile industry bureau, Huadong Teachers University, Fudan University, the Shanghai Academy of Social Sciences, the municipal culture bureau, and the Shanghai branch of the Chinese Academy of Sciences. This was the first inspection of these units by members of the municipal CPPCC committee since February this year. Since the February inspection, these six units have made improvements and solved problems regarding intellectuals' difficulties in getting admitted to the party, and their proper job assignments. During the 8-day inspection tour, members of the municipal CPPCC committee submitted a number of suggestions to these units on further implementation of the policy on intellectuals. [Text] [OW261117 Shanghai City Service in Mandarin 2300 GMT 25 Oct 84]

ZHEJIANG POPULATION GROWTH--Zhejiang's population natural growth rate plunged to 9.52 per thousand in 1983 from 19.6 per thousand in 1971, according to the provincial family planning committee. Calculated on the basis of the province's 1970 birthrate among women of child-bearing age, this means the province prevented the birth of some 6.7 million children in the 13-year period. The population age structure is beginning a shift to adulthood from being predominantly young. The indices of family support among the working people have dropped, with that of child support dwindling by 83.57 percent. Now, over 70 percent of the 1.65 million couples who have had one child have taken one-child family certificates. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 6 Oct 84]

CSO: 4005/128

CENTRAL-SOUTH REGION

HAINAN ISSUES REGULATIONS ON EXCHANGE OF TALENTED PEOPLE

HK311440 Haikou Hainan Island Service in Mandarin 0330 GMT 31 Oct 84

[Text] To ensure a reasonable flow of talented people and to give even better play to the role of talented people in specific fields in the course of developing and building Hainan, the Organization Department of the Hainan Regional CPC Committee and the Personnel Bureau of the Regional Government recently formulated some regulations on the exchange of talented persons. They also decided to hold a meeting on the exchange of talented persons to speed up such exchanges.

These specific regulations are:

1. In accordance with the principle of suiting a job to one's special training, the organization and personnel departments have power to directly allocate well-trained personnel who are employed from outside the island to employing units, which should warmly receive and must not refuse them.
2. Regarding scientific and technical workers from outside the island who are known to be really capable, who are urgently needed by our region, whose transfer has been consented to by the organization and personnel departments through consultation, whose original units do not allow them to be released, and who are willing to resign and to come to our region to work, the employing units can apply to the regional organization department and the personnel bureau for approval and can go through the formalities to take them. Their original wages and remuneration can be retrained and the length of their service will not be interrupted. They can also enjoy the preferential treatment specified by our region.
3. The scientific and technical workers within the island who really cannot put to good use what they have learned and what they are good at or who cannot bring their enthusiasm into play for other reasons, have the power to submit resignations to their own units and to seek a better position. With the approval of the regional organization and personnel departments, they can go through the formalities of a transfer to state-run units or units under the ownership of the collective with their original wages and posts being retained and without the length of their service being interrupted. Without the approval of the organization and personnel departments, those who resign and go to the units jointly run with Chinese and foreign capital and units solely

run with the capital of foreign firms must do so in accordance with the regulations of these units, without the necessity of going through the formalities of transfer.

4. When talented people in specific fields move to various places from Haikou City, move to districts and townships from county seats, move to units under the ownership of the collective from units under the ownership of the whole people, and shift to units which are short of talented persons from units which have surplus talented persons, the units concerned must vigorously support them and must not hinder them. When talented persons move from Haikou to various places and from county seats to districts and townships, their registered permanent residence can be changed and can also remain unchanged. Talented persons who move from units under the ownership of the whole people to units under the ownership of the collective can retain remuneration for cadres of units under the ownership of the whole people. They can be transferred into and out of units under the ownership of the collective.

With a view to implementing even more effectively the policies on the exchange of talented persons, the regional organization department and the personnel bureau recently held the first larger-scale regional meeting on the exchange of talented persons. At the meeting information concerning talented persons were announced. A department will be set up to employ and recommend people of ability and will hold talks directly with relevant units. Talented persons who cannot put to good use what they learn and what they are good at or whose enthusiasm cannot be brought into play for other reasons, are allowed to personally introduce themselves for the purpose of exchanges.

The forms of exchange include transfer, seconding, employing, part-time jobs, contracting, and cooperation. It is necessary to use as far as possible the method of direct contacts between units supplying and units demanding, to make a decision on the spot, and to go through formalities. After talented persons from outside the island are selected, the personnel departments of all counties, the city, and units employing must keep direct contacts and must go through formalities.

CSO: 4005/143

CENTRAL-SOUTH REGION

REFORMED PRISONERS RELEASED, GRANTED REDUCED SENTENCES

HK291228 Changsha Hunan Provincial Service in Mandarin 2300 GMT 25 Oct 84

[Text] At the 3d provincial meeting of representatives from activists in reform through labor which ended yesterday, a representative from the provincial People's Higher Court announced that 7 criminals who really have repented their crimes and rendered meritorious service in reform through labor have been released, 14 criminals released on probation, and 108 criminals have been granted a reduction of sentence. The provincial reform through labor bureau cited 108 criminals for their meritorious service.

Since the 3d Plenary Session of the 11th CPC Central Committee, all reform through labor units in the province have earnestly implemented the party's policy of "reform comes first and production second" on the work of reform through labor and have strengthened education and transformation of criminals, thus achieving gratifying results. In recent years all reform through labor units in the province have carried out the reform emulation drive. As a result, many activists in reform through labor have emerged. In all reform through labor units and places, criminals have unbounded enthusiasm for learning cultural and technological knowledge. Now quite a few criminals have eliminated illiteracy and mastered a professional skill during their period of reform through labor.

In order to sum up experiences in this field, under the care and with the help of the provincial CPC Committee, the provincial Judicial Department held a provincial meeting of activists in reform through labor beginning on 22 October. The meeting reviewed the situation in reform emulation throughout the province and exchanged experiences in emulation. The meeting also called on people from all circles in society to show concern for the work of reform through labor and to pay full attention to helping reformed criminals re-enter society, placing them in jobs, giving them a way out, and to giving them reasonable political treatment.

CSO: 4005/143

CENTRAL-SOUTH REGION

HUBEI TO RECRUIT MORE INTELLECTUALS INTO PARTY

HK301349 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Oct 84

[Recorded speech by (Zhong Shuqiao), deputy director of the Organizational Department of the Hubei Provincial CPC Committee: "Eradicate Leftist Influence and Take Real Action to Remove Obstacles to Intellectuals Joining the Party"]

[Excerpts] In constantly eradicating leftist influence and recruiting intellectuals into the party, the party organizations at all levels in our province have achieved relatively great success since the 3d Plenary Session of the 11th CPC Central Committee. The proportion of intellectuals in new party members has gradually increased: The percentage has risen from 8.2 percent in 1978 to 30.4 percent in the first half of this year. However, we must be aware that the problem of difficulties existing for intellectuals in joining the party so far has not yet been properly solved in some units; and the normal development of the party has been affected mainly because leftist ideology and prejudice against intellectuals still dominates some comrades' minds while other comrades do not have a clear understanding of the position and role of intellectuals. In order to solve the problem of difficulties existing for intellectuals in joining the party, we must concentrate our attention on three aspects at present.

First, it is necessary to continue to eradicate leftist influence and enhance our understanding of the necessity of recruiting into the party the outstanding intellectuals that are ready to devote themselves to the socialist and communist cause. Following the development of productive forces and the progress in science and technology, knowledge has become a more and more important motive force to the development of production. Intellectuals are playing an essential role in the four modernizations. At present, the party members with the post-secondary educational level or above only account for 3.3 percent of all party members in our province. These party members together with those who have received secondary technical education make up 7.2 percent of all party members. Such a status quo absolutely cannot keep abreast of our party's mission in the new period nor of the requirements for Hubei Province set by central leading comrades who hope the province will lead other provinces in the four modernizations. The 3d Plenary Session of the 12th CPC Central Committee has adopted the resolution on the reform of the economic structure. This document is a program to guide the reform in our

country's economic structure. We must respond to the country's call; conscientiously study the document, carry out the reform in earnest; try our best to recruit new party members among qualified management personnel who, equipped with the economic and technological knowledge of modern times and actuated by the pioneer spirit, are brave in blazing new trails and have the potential to make a breakthrough; fulfill the task set forth in the resolution on promoting new people and fostering an enormous contingent of socialist-minded economic administrative cadres; and more efficiently carry out the party's general goal and general task.

Second, it is necessary to conscientiously educate and foster those intellectuals who intend to apply for CPC membership.

Third, it is necessary to strengthen examination and supervision of work and give specific guidance. While keeping in mind the urgency of recruitment of intellectuals into the party, we must adopt a serious and conscientious attitude and make sure that only those who meet the set requirements are admitted into the party.

By and large, we must send people to whichever units that are faced with the problem of the existence of difficulties for intellectuals in joining the party to help solve their existing problems. Our organizational departments at all levels must serve as good consultants to their respective party committees and must do a good job in making contributions to recruitment of more intellectuals into the party in our province.

CSO: 4005/143

CENTRAL-SOUTH REGION

GUANGDONG ADOPTS NEW PERSONNEL STAFFING METHOD

HK290930 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 28 Oct 84

[Text] Recently, with the approval of the provincial CPC Committee's Organization Department, the provincial Personnel Bureau has introduced a new method of engaging leading cadres in its subordinate office for managing technical cadres, the office for cadre affairs, and the office for rewards and punishments. A new office chief and three deputy chiefs have been appointed by this new method. They were elected through voting by the whole staff of the bureau.

Cadres in this bureau may recommend themselves or people inside or outside the bureau for the positions. The successful candidates will have to sign an appointment agreement with the bureau chief under the auspices of the leading party group of the bureau. The agreement will specify the functions, powers, and rights of the appointees during the term of office. They can also be reelected after their term of office expires if they perform their duties well and the staff members are satisfied with their work. However, if their performance is not satisfactory as shown in opinion polls after they are in office for 1 year, the appointees themselves should resign from their positions. In addition, the bureau chief has the right to dismiss an appointee before his term expires if the appointee is not competent in his work or commits some major mistakes.

CSO: 4005/143

CENTRAL-SOUTH REGION

GUANGZHOU MILITARY REGION MEETING HONORS HERO

HK291108 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 28 Oct 84

[Text] A meeting to honor (Zhou Fanglin) with the title of road construction and demolition hero was held at the quarters of a certain engineering regiment under the Guangzhou Military Region on 25 October. At the meeting was read an order signed and issued by Commander You Taizhong and Political Commissar Wang Meng.

(Zhou Fanglin) was the former deputy commander of the No 2 Company of a certain engineering regiment under the Guangzhou Military Region. The unit which he belonged to was ordered to carry out an urgent mission--to build a road for military use somewhere along the Guangxi border. Although his eye wounds had not yet healed, he undertook the mission without the least hesitation to command a demolition team in building the road. To reach the construction site, they had to pass through an area vulnerable to the enemy's barrages, interdiction and a minefield laid by the enemy in our territory. Despite the Vietnamese troops' fire, (Zhou Fanglin) undertook the most dangerous tasks throughout the operation, taking the lead in surveying and building the road and being the last to withdraw from the site. When the demolition team under the command of (Zhou Fanglin) moved to a new construction site on the afternoon of 2 May, the enemy suddenly fired artillery shells on their position. Fearlessly facing danger, (Zhou Fanglin), composed, promptly commanded the personnel at the scene to take cover. Seriously wounded in action, the young commander finally sacrificed his life.

CSO: 4005/143

CENTRAL-SOUTH REGION

FORMER KMT GENERAL POSTHUMOUSLY RECOGNIZED AS MARTYR

HK240536 Nanning Guangxi Regional Service in Mandarin 1130 GMT 23 Oct 84

[Text] Recently, with the approval of the regional people's government, (Chen Jihuan), a former lieutenant general and later posthumously recognized general of the KMT, who died during the period of the war of resistance against Japan, has been posthumously recognized as a revolutionary martyr.

(Chen Jihuan), also named (Yuchuan), alias (Kunshan), was born in 1982 in (Xinzhu) village, (Yongyue) township, Cenxi County, Guangxi, which are now called the (Tangle) production team, (Xinzhu) production brigade, and (Xinzhu) commune in Cenxi County in Guangxi. His family was a poor one.

In his youth, he loved to study and to practice Chinese martial arts. At the age of 17, he passed his examination and entered the Guangxi military camp to undergo training. Soon after, he accepted the ideology of democratic revolution advocated by Mr Sun Zhongshan and joined the Tong Meng Hui (Chinese Revolutionary League) led by Sun Zhongshan. During the period of the revolution of 1911, he joined the national revolutionary army in the struggle to overthrow the Qing dynasty. In his life as a soldier, (Chen Jihuan) successively held the posts of the leader of a squad, company, battalion, and regiment; was concurrently major general and adviser and director of the Hankou bureau for the prohibition of opium; and was a deputy division commander, director of the second zone of the Guangxi pacification commissioner's office, lieutenant general and chief of staff of the Guilin defense headquarters, and deputy commander of the Guilin defense army.

In October 1944, the Japanese invaders concentrated unquestionably superior forces and attacked Guilin. In defense of Guiling City, (Chen Jihuan) directed the 131st Division under the 31st Army and the patriotic student army, totaling over 10,000 people, to undertake the heavy responsibility for repulsing the attack of the Japanese invaders. The defending troops persisted in fighting despite heavy casualties and strong negative odds. After over 10 days and nights of fighting, General (Chen Jihuan) sacrificed himself for the country on 10 November.

In accordance with the relevant rules and the performance of Gen (Chen Jihuan) during his lifetime of fighting against the Japanese invaders, he is now recognized as a revolutionary martyr. The members of his family are thus entitled to enjoy the treatment of being family members of a martyr.

CENTRAL-SOUTH REGION

MORE HUNAN PEASANTS STUDYING IN COLLEGES

OW280823 Beijing XINHUA in English 0634 GMT 28 Oct 84

[Text] Changsha, 28 Oct (XINHUA)--About 1,000 peasants in central China's Hunan Province are now taking one-four years' courses in colleges and secondary technical schools, according to provincial bureau of education.

Since the responsibility system was applied in the countryside, more and more peasants have become aware of the importance of reading up on modern techniques involved in running farms and factories. Many are technicians working in business run by rural communities.

These peasant students have been recommended by town- or village-run enterprises and chosen by colleges through examination. Their tuition fees are borne by the enterprises. After graduation, the peasants will return to work in their old units.

Most of the 400 peasants studying at Hunan University, the Zhongnan Mining and Metallurgical College and Hunan Agricultural College are technicians from local enterprises. The institutions began enrolling students directly from peasants in 1982. Two secondary agricultural schools enrolled 500 young farm hands in the past two years.

Courses include the study of agricultural machinery, animal husbandry, aquatic products industry and fruit growing.

CSO: 4005/143

CENTRAL-SOUTH REGION

HUNAN LEADERS ATTEND PHYSICAL TRAINING WORK CONFERENCE

HK311224 Changsha Hunan Provincial Service in Mandarin 2300 GMT 30 Oct 84

[Text] At the provincial physical training work conference held on the afternoon of 30 October, the provincial government commended 18 outstanding sportsmen and sportswomen such as Comrade Wen Jifang, who have made outstanding contributions to physical culture in the past 35 years, and presented them with certificates of honor. Also commended were five advanced units in mass physical culture, including the Chengzhou physical training base.

Attending the summing-up meeting were leading members of the party, government and military district Mao Zhiyong, Xiong Qingquan, Jiao Linyi and Chen Xian, vice director of the State Physical Culture and Sports Commission.

In his speech on behalf of the provincial CPC Committee and government, provincial CPC Committee Secretary Jiao Linyi said: In order to make accomplishments in the province's physical culture and sports, it is primarily necessary to have a reappraisal of physical culture so as to understand the important role and multiple social functions of physical culture and sports. Second, it is necessary to see our gaps in this field. Third, it is necessary to strengthen the leadership of the party and government over physical culture and sports. The provincial CPC committee and government will provide and create favorable conditions for the takeoff of Hunan's physical culture and sports in all aspects. It is hoped that party committees and governments at all levels will also do so. If the leadership and the rank and file are of one mind, Hunan's physical culture and sports will certainly progress.

CSO: 4005/143

SOUTHWEST REGION

EDUCATIONAL SYSTEM FOR NATIONAL MINORITIES

Beijing GUANGMING RIBAO in Chinese 8 Sep 84 p 1

[Article by Wang Maoxiu: "Yunnan Has Established Its National Educational System"]

[Text] After several years of effort, Yunnan Province has set up an educational system which centers around ethnic minority groups and covers elementary, high school and college education. The college entrance exams for this year are touchstones of this system, which follows a principle that allows education to be run at various levels and in different sizes and forms and the coexistence of popularization and improvement. The large number of applicants and their success has proven the correctness of this system and its principles.

Now 27 percent of the students in Yunnan are from minority groups, which make up 31.7 percent of the province's population. Among the 46,000 college applicants, 12,000 are minority students. The figure is twice the 6,000 who applied last year. One-third, of the 12,000 passed the initial selecting. Such a big percentage and rapid progress are unprecedented in the province's educational history.

What is more exciting is that some small ethnic groups, which are in the stage of primitive society at the time of liberation and recorded and counted by carving and knotting, now have college applicants whose scores are unexpectedly high. The Kucong people moved out of the jungle only in 1956. Some of their applicants achieved a score of 480. With a population of only 12,000, the Jinuo nationality now claims 120 senior high school and professional school graduates and 26 college graduates. Some of their college applicants achieved scores as high as 460 in the exam this year.

All this is a great achievement of the party's practical and realistic ideological line, which bases decisions upon facts. The educational department of the province made a study of the special circumstances of different regions and ethnic groups. Based on their study and research, they decided to run education at all levels and in all sizes and forms: first, to popularize education by improving elementary education in order to prevent illiteracy and then to try to improve on this basis.

To improve primary education, Yunnan built 980 boarding schools in 5 years. These schools provide room, board, free books, and stationary to those who are from remote mountain areas and are poor. The education department of the province also compiled textbooks for a special 4-year elementary school program for the countryside. Minority ethnic groups make the decisions as to the age of enrollment, records of schooling, school system and so forth; thus, 81 percent of the school-age children from the minority ethnic groups are in school. Nearly 1,000 elementary schools, plus 38 boarding high schools and 1 college, for minority students form a system of education for the minority ethnic groups. Besides, there are classes for minority students in 9 colleges or universities, 21 professional schools and more than 300 high schools. The province is thus able to establish its own minority educational system through the above-mentioned channels.

This system is still in the process of improvement. The province has allotted a huge fund to build 3,000 primary schools for the minority students of the province.

12699  
CSO: 4005/870

SOUTHWEST REGION

SICHUAN: PROVINCIAL CONFERENCE ON JUDICIAL WORK CLOSES

HK270840 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Oct 84

[Excerpts] The Sichuan provincial conference on the administration of justice was held in Chengdu from 16 to 25 October. Nie Ronggui, deputy secretary of the provincial CPC Committee, and He Haoju, member of the provincial CPC Committee Standing Committee and vice governor, attended and addressed the conference on behalf of the provincial CPC Committee and the provincial government. Qin Chuanhou, vice chairman of the Standing Committee of the provincial People's Congress, and other responsible comrades also attended the conference. Present at the conference were a total of more than 300 people, including directors of the judicial bureaus, chiefs of the judicial offices, and heads of the reform-through-labor divisions from all cities, prefectures, and autonomous prefectures in the province. Also attending were the responsible comrades of the provincial reform-through-labor units and the representatives of the units concerned at the provincial level.

The participants in the conference conscientiously studied the documents of the 3d Plenary Session of the 12th CPC Central Committee, relayed the guideline laid down by the national conference on the administration of justice, summarized the province's judicial work in the past few years, discussed the reforms of the judicial administrative work in the province, and assigned tasks for the future.

In accordance with the spirit of the 3d Plenary Session of the 12th CPC Central Committee, the conference urged the judicial administrative organizations at all levels in the province to firmly keep three points as the fundamental guiding principle for their work: to serve economic construction, to ensure the long-term stability of the country, and to aid the masses and serve the people. All judicial departments are required to bravely carry out reform and blaze new trails so as to create a new situation in judicial administrative work in the province.

CSO: 4000/139

SOUTHWEST REGION

SICHUAN CRACKS DOWN ON CRIMINAL ACTIVITIES

Chengdu SICHUAN RIBAO in Chinese 12 Sep 84 p 1

[Article by He Wenzhen [0149 2429 3791]: "Serious Criminal Activities Are Under Renewed Attack All Over Our Province; Public Security Organs Greet National Day With New Contributions Toward Safeguarding Public Security"]

[Text] The public security organs throughout our province began yesterday (the 11th), in resolute and quick actions on a grand scale, to deliver once more heavy blows against criminal elements who seriously jeopardize public security.

The present concentrated attacks by the public security organs are executed with the support of the masses, after thorough investigations and studies and on the basis of ample preparations. They are carried out strictly according to the provisions of the law. Among this type of criminal elements, perpetrators of serious crimes, there are habitual offenders, long-time fugitives guilty of numerous crimes, criminals who have escaped from work through labor institutions, instructional personnel from such institutions and other wanted criminals who continue criminal activities, criminal elements who band together to steal public and private property, criminals who commit rape and murder and also major criminal elements guilty of embezzling large sums of state funds. Two wanted criminals from the villages of Xixing and Dazhai in Pingchang County had fled and since 1981 led a life of plundering in Hubei, Yunnan and some parts of Sichuan, committing over 40 crimes and stealing public and private property, which they had converted into over 20,000 yuan cash. In the course of the present drive they were apprehended, when over 4,000 yuan of illegally acquired money and also 4 television sets and recorders were seized on the spot. Wu Yingxiu, a purchasing agent for the Huangqing village trading company in Daxian County, when staying in Heping village of Liangping County to purchase commodities, was robbed in the morning of 10 September of over 11,000 yuan of purchasing funds by Wang

Zhangming, a bandit long wanted for arrest. The public security organs of Liangping County immediately organized cadres and police personnel to surround the locality and block it off, and their investigation led to the solution of the case at 11 o'clock that evening, when criminal Wang was seized at a checkpoint of the said county city and all the money was recovered.

All public security organs, all public security cadres and people's police throughout the province are following up their victories with further advances and continue the fight with great courage and tenacity and on a grand scale. They are launching an energetic struggle against the criminal elements who are perpetrators of serious crimes to ensure the public security during the celebration of the 35th anniversary of our National Day and they are striving to make a new contribution toward the radical turn for the better in our public security.

9808  
CSO: 4005/101

SOUTHWEST REGION

BRIEFS

CHU DE'S WATCH PRESENTATION--Comrade Kang Keqing recently presented to the Chu De Memorial Hall a pocket watch which Comrade Chu De used during the Long March. This valuable revolutionary relic was brought back by (Chen Yongqin), deputy director of the Party Literature Research Center of the CPC Central Committee and head of the Chu De Biography Research Group; and (Yuan Shifeng), member of the Secretariat of the All-China Women's Federation who formerly worked at the side of the late Premier Zhou, after their visit to the former residence of Chu De on 19 October. Attached to the pocket watch was a letter from Comrade Liu Lantao to Comrade Kang Keqing about how this belonging of Chu De was handed down from one person to another. [Text] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 26 Oct 84 HK]

ANCIENT TIBETAN PAINTINGS EXHIBIT--Lhasa, 18 Oct (XINHUA)--Ninety-one ancient Tibetan Tangka paintings, viewed only by the Dalai Lama and a few high officials in the past, have been shown to the public for the first time in Norbu Lingka Park in Lhasa. The Norbu Lingka was the Dalai Lama's summer palace. Tangkas are scroll paintings mounted on brocade. In Tibet, they developed out of mural painting in the Seventh Century and flourished in the 14th to 19 centuries. Pictures of the Buddha, Buddhist tales, portraits and lives of historical figures and eminent monks were the major subjects. Historical tales were usually recorded in serial form. Scientific Tangkas were made on astromony, the calender, medicine and herblore. Those on display show the earth's structure as inferred by the ancients, celestial motion, human acupunctural points and medical instruments. The exhibition, opened on October 1, is attracting more than 1,000 visitors a day. [Text] [Beijing XINHUA in English 0846 18 Oct 84 OW]

CSO: 4000/031

NORTHWEST REGION

RESHUFFLE OF COLLEGE AND UNIVERSITY LEADERSHIP ENDED

Shaanxi SHAANXI RIBAO in Chinese 20 Aug 84 p 1

[Article: "Reshuffle of Province's College and University Leadership Drawing to a Conclusion"]

[Text] The reshuffle of the leadership of the 40 institutes of higher education has almost ended. Changes at 35 of them have been approved by the provincial government or the government has given its opinions. According to a study of 27 institutes, the new leadership consists of 148 people, 28 fewer than before. The average age is 53.7, 7.2 years younger than before. Eighty-five outstanding middle-aged or young cadres joined the leadership. Of these, 84.2 percent have college education, 30 percent higher than before. Seventy-two are specialists who have titles above lecturers. They make up 48.6 percent of the total. Among the 72, 48 are professors or associate professors who make up 32.4 percent of the specialists. Twelve senior specialists have been relieved of their administrative responsibilities so that they can concentrate on teaching and research.

Most of the middle-aged and young cadres devote themselves to the party's educational cause. Honest and upright, they have original ideas about college administration. Strict about themselves, they learn humbly from old leaders. With the help of old comrades, the new leaders of the Coal and Mine Institute work in harmony and with courage, bringing some changes to the institute.

Since its formation in March, the leadership of Xian Transportation University has carried out a bold overall reformation in the political education of its students and in administration, teaching and research. A system of responsibility has been set up in all offices. Delegations with members of the leadership participating have visited and studied at other provinces. They have also established collaborative relationships in research and production. Everything is lively.

The leadership of the Highway Institute is formed of five associate professors who understand intellectuals very well. Party secretary and vice secretary Sun Zuwang and Wang Bingang visited each department to make sure that the party's policy concerning intellectuals has been carried out. They have admitted 14 intellectuals into the party in the past 2 months. The Xian Industrial Institute has built 713 new apartments in recent years, 220 of

which are 3-bedroom apartments. The living conditions of 115 professors or associate professors and 385 lecturers have improved. Seventy-three percent of those who have moved into new apartments are enjoying better living conditions.

They also improved their teaching methods and textbooks in order to improve the students' ability of self-study and to solve practical problems. As a result, teaching has improved. The faculty has compiled more than 700 types of textbooks. More than 60 of them have been published. Since 1982, they have achieved 87 relatively important research successes, 70 percent of which have been popularized and used in production. Forty-six items won prizes awarded by the province and the Ministry of Aviation Industry.

12699

CSO: 4005/870

NORTHWEST REGION

SHAANXI PRISONERS STUDYING TO IMPROVE SELVES

OW301130 Beijing in English 0719 GMT 30 Oct 84

[Text] Xian, 30 Oct (XINHUA)--A new hunger for knowledge is sweeping through prisons in Shaanxi Province, as inmates study to prepare themselves for life in the outside world.

Independent study and technical training are available in all local prisons, corrections officials told XINHUA.

In one provincial institution, more than 80 percent of the 3,500 inmates have joined various cultural and occupational courses. The opportunity is vital to inmates who will be seeking new careers after their terms expire, they added.

To help promote the study program, ten young inmates have just ended a 2-month lecture tour of the province, during which they presented their gains to audiences of more than 40,000 prisoners, lawyers, corrections officials and local officials.

Zhao Daixiang, one of the lecturers, was sentenced to 15 years for beating of his fiancee. He is now a prison electrician, following a three-year correspondence course in electronics. He was recently awarded a college-level diploma by the Jilin Provincial Electronics Society, and is a member of the first correspondence course run by the China Electronics Society.

When Zhao was jailed 3 years ago, he had lost his will to live. But corrections officials encouraged him to continue his cultural and technical studies, he said. Knowing that he was fond of electronic engineering, the officials bought him many books on the subject.

"I'll continue my efforts to prepare for a postgraduate degree qualification exam after the expiration of my term," he said.

Zhao's term was recently reduced by 3 years for good behavior.

Zhao Ailing, a thief and robber, who is now serving an 8-year term has read widely on morality, law and natural sciences. The more she read, the more

she felt that her ignorance had contributed to her previous way of life, she said. She recently confessed several crimes which went unexposed during her trial.

In the city of Xian, there was only one state-run brick and tile factory a few years ago. A number have since been set up, in which more than a half of the directors and workers are former inmates who learned their skills in prison.

Some former inmates have gone on to become engineers, including Chen Haisheng, who served a six-year sentence for hooliganism. Chen is now the director of a calcium carbide plant, earning more than 10,000 yuan (about 4,000 U.S. dollars) a year.

Chinese prisoners are required to work in prison factories or farms for six to eight hours a day under strict supervision. Regular classes and technical courses are arranged by corrections officials. But independent study is usually done during the inmates' spare time in the evening.

CSO: 4000/031

NORTHWEST REGION

BRIEFS

GANSU DELEGATION TO NEW ZEALAND--At the invitation of Christchurch City of New Zealand, the Gansu Friendship delegation with Governor Chen Guangyi as its head and Lanzhou Mayor Wang Daoyi as its deputy head, totaling six people, left Lanzhou by plane this afternoon via Beijing and Sydney for Christchurch City for a first ever friendship visit. This April Mayor (Hamish Hay) of Christchurch City led a delegation to pay a visit to our province. Both sides exchanged extensive opinions on ways to further strengthen the existing friendly relations of cooperation. An accord was reached between Gansu Province and Christchurch to become a friendly province and city. During the present visit our delegation will continue to hold talks with the city on items of mutual cooperation and exchanges so that the existing good relations between the province and city can be enhanced to a still higher level. [Text] [Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 29 Oct 84 HK]

XINJIANG STANDING COMMITTEE MEETING--The ninth meeting of the Standing Committee of the Sixth Regional People's Congress open in Urumqi this morning. The agenda of the meeting is: to study the documents of the 3d Plenary Session of the 12th CPC Central Committee, to discuss and approve the draft of the provisional regulations on the management of grassland of the Xinjiang Uygur Autonomous region, to discuss and approve the draft of the resolution of the regional people's congress standing committee on [words indistinct] the proclamation of the regional people's government on strengthening the management of country fair trade, and listening to the report of the regional people's government on the reform of the system of supply and marketing cooperatives. Tomur Dawamat, chairman of the standing committee of the regional people's congress, presided over today's meeting and made a speech on studying the documents of the 3d Plenary Session of the 12th CPC Central Committee. [Text] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 29 Oct 84 HK]

QINGHAI ISLAMIC CLASSICS COURSE--Xining, 26 Oct (XINHUA)--Qinghai Province opened its first Islamic classics course yesterday at a 400-year-old mosque here. The 30 participants, all religious leaders from mosques throughout the province, will study texts on Islamic doctrine and government policies on religion during the six-month course. About 600,000 hui, Sala and Kazak Muslims live in Qinghai. The province now has 932 mosques. [Text] [Beijing XINHUA in English 1053 GMT 26 Oct 84 OW]

NON-PARTY CADRES--During the province's government organization reformation, a large number of non-party cadres took leading positions. Among them were 2 vice-mayors of cities directly under the provincial government, 35 vice heads at the city, county and district levels, 95 vice chairmen of city, county and district people's congresses, 30 cadres in the region at the city or bureau level and 404 county and district cadres at the bureau level. Altogether there were 566, which more than doubled the numbers of non-party cadres before the reformation. The characteristics of the newly promoted or appointed cadres are: a) they are relatively young. The average age of the 17 cadres from Lue You is 35.3 years old. b) They are well educated. All six vice bureau directors from Qi County have a college education. Among the 21 directors or vice directors of Baihe County, 17 have college education. c) They are specialists. Among the 11 cadres from Yu County, 9 have technical titles. d) Women have been appointed. Among the eight vice county or district directors of Yan Yang, three are women. e) They are known for their good performance in government service. All of them have the ability and resolution needed to open up new situations. [Text] [Xian SHAANXI RIBAO in Chinese 22 Aug 84 p 1] 12699

CSO: 4005/870

## MILITARY AND PUBLIC SECURITY AFFAIRS

### SICHUAN STEPS UP MILITIA BUILDING

Chengdu SICHUAN RIBAO in Chinese 13 Aug 84 p 4

[Article by Zhang Yuanshu [1728 0337 2885] and Zeng Xiangrong [2582 4382 2837]: "The New Style of the New Leading Circle of the Provincial Military District's Party Committee"]

[Text] The first question seriously considered by every leading circle after assuming power is "now that we have taken up the role of leaders at the request of the party and the people, how should we, in the face of new environment and circumstances, create a new phase in our work?" We would like to relate how the new leading circle of the provincial military district's party committee has created a new work phase by stressing representative examples and setting clear-cut standards.

#### Investigation in the Face of Controversy

The first question confronting the new leading circle of the provincial military district's party committee since it assumed power in late May was how to affirm the representative reform example of Guanghan County's armed forces. Since the 3d Plenum of the 11th party Central Committee, Guanghan County's People's department have been aggressive in experimenting with new ideas and have "mobilized the people's militia to carry out the four modernizations and have run the people's militia according to the four modernizations." In recent years, no consensus has been reached on whether the measures taken by Guanghan County's People's armed forces department are positive or negative, and whether they should be supported or opposed against. What should be done concerning this important and controversial matter of principle and major significance? "A small body of people" in the party committee agreed that intensive investigation of the matter should be conducted so that accurate judgments can be formulated based upon facts. The party committee decided to form a coalition work team consisted of 16 people from various departments and political and reserve organs under the supervision of standing committee member and deputy political commissar Zhou Lanxi [6650 3620 6007] and standing committee member and deputy commander Ding Zhaoqian [0002 0340 0051]. The team conducted intensive and extensive investigation into Guanghan County's armed forces departments. Other standing committee members have also led the work team to look into the working conditions of the people's militia.

The work team spent 1 month and 3 days in 44 counties (cities) conducting intensive investigation into people's armed forces departments with different characteristics, and listened to the views and suggestions of comrades from various circles on the work of the people's militia since the 3d Plenum of the 11th party Central Committee. The consensus is that the work of the people's militia in our province since the 3d Plenum of the 11th party Central Committee has been satisfactory. However, a problem has arisen -- in view of the fact that the focus of the party has shifted, should that of the people's militia also shift? If so, toward what direction should it shift? Investigation conducted in Guanghan County indicates that as the focus of the party has shifted and as reform has taken place in the economic system, the people's armed forces department in Guanghan County has changed the ideological guidance it offers to the people's militia from "an emphasis on class struggle" to economic construction. Since the institution of the production responsibility system in rural areas, the armed forces department has mobilized the people's militia to work for the realization of the system. After the economic policy for the rural area has been relaxed, the armed forces department led the people's militia in competing to become speciality households. They have organized the people's militia to take up urgent, difficult, dangerous and demanding engineering projects, capital construction, and certain developing rural enterprises. In the meantime, thorough changes have been taking place in the organization, political undertaking and military training of the people's militia. For years military training of the people's militia has produced outstanding results. Their performances have been positively recognized by comrade Zhao Ziyang. They have been commended by the county party committee and the county government as "sounding and acting in unison with them." It is also the sentiment of the armed forces department that "everything has been going well and that is has been easy to run the people's militia."

The party committee has arrived at two definite conclusions as a result of this investigation. One, the people's militia in Guanghan County has received from the county's armed forces department accurate ideological guidance and it complies with the central committee's directives, which state that all departments and sectors should be aware of major issues and the overall situation, and be dedicated to their work. The work of the people's militia in the new era must subordinate to and serve the overall goal and mission of the party. Two, the aggressiveness of Guanghan County's armed forces department has initiated for the operation of the people's militia a new approach under the new circumstances. They have met the demands of, and are supported by, the people.

#### Delineating Standards in the Midst of Controversy

As the party committee prepares to concentrate on summarizing the experiences of Guanghan's armed forces department in order to have them publicized in the entire province, some people have voice these opinions: "the way they have been handling things is going to lead the people's militia toward 'cancelationism'. "The small body of people" in the party

committee has not been distracted by the pressure of these criticisms. They have studied repeatedly the party's line, goal, policy, and documents since the 3d Plenum of the 11th party Central Committee. They feel that the party has been handling things in the correct manner. The party committee contends that the new leading circle should be aggressive instead of maintaining the status quo. A party committee that refrains from leadership and reform cannot function as a fortress in a battle. It is for this reason that the party committee, with the approval of Sichuan's provincial party committee and Chengdu Military region's party committee, held a Guanghan Experience Exchange Symposium instead of the originally scheduled work meeting. On the floor of the symposium, Secretary General of the provincial party committee Yang Rudai [2799 3067 1486] highly praised the leading circle of the provincial military district's party committee for having worked hard in the past year to liberate thinking in order to create a new phase. A reform example has thus been established on the front line of the people's militia for the entire province.

#### Model Examples Carry Great Weight

The provincial military district's party committee has made a fine example out of Guanghan's armed forces department. The people's militia demonstrates four positive tendencies on its battle front:

-- Ideology of all organizations has been unified and the "five-too-many" phenomenon has been overcome. Meetings and documents in various organs have decreased substantially. Lower level agencies no longer have to present numerous documents to their superiors. More people are now working at the basic level. Various departments are now united are working with one another in publicizing and propagating Guanghan's experiences. Work at the basic level is being stressed and the undertaking of various organs has taken on a new look.

-- The confidence and sense of responsibility among armed cadres of various levels have been strengthened. More people are now discussing matters of importance, aware of the overall situation and concerned with their own work. After having studied Guanghan's experiences, comrades who used to feel that the work of the people's militia was difficult to do are now saying, "as long as we comply with the party's overall goal and mission in the new era, the work of the people's militia will be easier and easier."

-- The people's militia has assumed leadership in realizing the four modernizations, in making rural economy more responsive and in generating greater enthusiasm for the building of spiritual civilization. In the entire province 150,000 militia specialized households and 120,000 agricultural assisting teams have been developed.

-- Increasing support has been given by various local party and political departments to the people's militia. The provincial party committee and the armed forces department's committee have met and decided that in the midst of reform of local organizations, armed forces departments at various levels should be preserved and district and township military

cadres should receive the same treatment given to deputy leaders of the same level. These measures have solved problems that have remained unsolved for years. The provincial government has decided to increase funding for militia work by 1 million yuan, and leading cadres of the provincial committee have intensified the propagation of the work of the people's militia.

12680  
CSO: 4005/007

MILITARY AND PUBLIC SECURITY AFFAIRS

PUBLIC SECURITY EDUCATIONAL SYSTEM ESTABLISHED

Beijing ZHONGGUO FAZHI BAO in Chinese 18 Jul 84 p 1

[Article by Zhang Jiang [4545 3068]: "Intensify the Standardization of Public Security Forces"]

[Text] The provincial Department of Public Security in Jiangsu focuses on public security and police academies as it is deeply involved in consolidation and training in order to strengthen its public security forces, upgrade the political and operational quality of cadres and police, and to as quickly as possible make the cadre units more revolutionary, younger in average age, better educated and professionally more competent. Presently there is one public security training school (college) and three police academies (vocational secondary schools) in the entire province. More than 3,400 students are enrolled in these schools.

The provincial Department of Public Security in Jiangsu treats the successful management of professional schools as a matter of long-term planning and vital significance in the strengthening of the construction of its public security forces. The department's leading party group has included the construction of schools in its agenda, and has frequently held seminars to study the issue. Responsible cadres of the department are personally involved in the implementation of its policies and have dispatched some of the most outstanding cadres from agencies affiliated with the department to these schools in order to upgrade the quality of instructors.

In order to accelerate the training of cadre police, responsible cadres have decided to run these schools through a variety of administrative levels, and have increased the number of students by scattering recruitment points around. Under the name of the provincial police academy, they have accepted enrollment for nine classes in various locales, and have delineated recruitment and instruction methods as well as post-graduation assignment policy in those locales. These measures have enhanced the positive feeling and sense of responsibility these locales have toward running schools. People in these locales have done everything they can to overcome obstacles by doing things simply and thriflty, by holding classes in borrowed military barracks, by making use of factories, and by offering classes in garages of fire departments and empty storage space in

inspection stations. The provincial department has assured the quality of instruction by instituting the instruction and management policy of unification in instruction planning, curricula designing, course preparation and examination.

Roughly 2,500 students have been sent in recent years by these schools to provincial public security organs at various levels.

These students are ideologically sound, professionally competent and full of energy and have been warmly received by various public security organs.

12680  
CSO: 4005/007

MILITARY AND PUBLIC SECURITY AFFAIRS

SUCCESS ACHIEVED IN CRACKDOWN ON CRIMES

Xian SHAANXI RIBAO in Chinese 22 Aug 84 p 1

[Article: "The Number of Criminal Cases Has Dropped, Public Security Has Taken a Sharp Turn For the Better, Sense of Security Among the Masses has Been Strengthened"]

[Text] In the 12 months ending this August, our province has achieved impressive results in the crackdown on criminal activities. The number of criminal cases has dropped and public security has taken a sharp turn for the better. Statistics for the period from January to July of this year reveal that criminal activities dropped by 32.2 percent compared with the same period last year. Serious and major offenses dropped by 1.4 percent over the same period of last year. Public security and counter-revolutionary cases also witnessed a decrease over the same period of last year. The sense of security among the masses has been strengthened and people are now courageous enough to confront criminals. This has initiated a change in the phenomenon whereby "good guys are intimidated by bad guys." During this past year, people in our province have provided law enforcement agencies with over 50,000 clues that helped arrest 1,017 criminals. Under the influence of the party's policy, more than 1,300 criminals have surrendered themselves voluntarily.

There are many touching stories about the officers, cadre police, and armed police who work day and night cracking down on and confronting criminals. Twenty-four public security cadres and policemen have been wounded and four have died in the line of duty.

Despite the fact that we have achieved impressive results in our crackdown on criminal activities, there still exist problems in this area. In view of this fact, the provincial political and law council has urged various regions to implement thoroughly the party Central Committee's directives concerning the cracking down on criminal activities so as to keep up the effective work in confronting criminals who have committed serious crimes. We should at the same time endeavor to expose criminals of serious offenses who are hidden in the society's various corners and in internal units to strive to achieve a basic turn for the better in public security.

12680  
CSO: 4005/007

MILITARY AND PUBLIC SECURITY AFFAIRS

STUDY SHOWS CHARACTERISTICS OF CRIMINAL ACTIVITIES

Beijing ZHONGGUO FAZHI BAO in Chinese 22 Aug 84 p 2

[Article by Zhang Fan [4545 1581]: "Social Science Workers Report Public Research Findings on New Direction and Characteristics of Criminal Activities"]

[Text] Labor reform agencies face new problems as they must accommodate a large number of criminals. These criminals are young and have been sentenced to long prison terms. They tend to have committed hooligan crimes or to have been involved in gang activities. Most of them are poorly-educated, and are first offenders of violent or sex crimes. In view of these facts, the single most significant and urgent problem that confronts law enforcement agencies is how to "accommodate, discipline, detain, and rehabilitate" these criminals so that the majority of them will become law-abiding and self-supportive citizens.

The above statement is included in the "Report on the Research in the Mentality of and Policy toward Newly-Accommodated Criminals Subsequent to the Concentrated Crackdown" filed after an investigation that lasted more than 40 days by the comrades of the Division of Juvenile Delinquency Research at the China Academy of Social Sciences' Youth Research Institute. Participating in the investigation were researchers in social sciences, and comrades from agencies related to law study, law education, and judicial departments in Shanghai and Jiangsu. Targets of the investigation included Jiangsu's Penitentiary No 3, Zhuze Coal Mine, Xinsheng Cloth Factory in Nantong and Jiangsu Provincial Institution for Juvenile Delinquents.

Research conducted on prisoners and selected prisoners in the above mentioned four institutions indicates that the average age of new offenders has dropped; in particular, the number of young offenders under age 25 has increased drastically. Young criminals at Penitentiary No 3 now account for 61.6 percent of the total prison population. This represents an increase over the 23.6 percent prior to the crackdown. The percentage of young criminals at the Zhuze Coal Mine has increased from 24.9 percent to 52.7 percent. The research also reveals that the percentage of criminals sentenced to less than 5 years has decreased, and that of criminals sentenced to between 6 and 10 years or more has increased drastically. Hooligan criminals in these 4 institutions now account for between 42.9

percent and 62.6 percent of the total prison population. This represents an increase from between 9.5 percent and 16 percent. Gang criminals account for between 24.5 percent and 34 percent of the total prison population. This represents an increase from between 13.4 percent and 20 percent. Moreover, these criminals tend to be first offenders who are poorly-educated and who have committed violent and sex crimes.

The report includes an analysis of the ideological inclination of these newly-accommodated criminals. It also recommends certain applicable measures for the present and near future.

12680  
CSO: 4005/007

MILITARY AND PUBLIC SECURITY AFFAIRS

LIAONING REPORTS CONSTRUCTION OF RESERVE FORCES

SK170449 Shenyang LIAONING RIBAO in Chinese 5 Oct 84 p 4

[Text] While strengthening militia building, armed forces departments at all levels in our province have paid close attention to reserve service, building reserve forces out of nothing to a fledgling scale.

In order to enable reserve forces to march to the front as divisions and regiments, we have established reserve army, garrison, and antiaircraft artillery divisions and infantry, signal and tank regiments, and included them in the battle array of the PLA. Exercises have proved that they are capable of carrying out battle tasks if they are trained a little before sending them to war.

In order to make the number of units in active service "small in barracks and large outside barracks" and "small in peace time and large in war time," pertinent areas in our province have replenished fields units, navy vessels, coastal artillery units, air force airports and stations, and radar and anti-aircraft artillery units with specialized technical soldiers and personnel who underwent many years of regular training. After the replenishment they have been assembled and had their equipment renewed [huan zhuang 2255 5944], and examined.

All localities in the province have calculated, through registration, the number of retired soldiers, and made preliminary distributional arrangements, according to the authorized size of units, for the retired specialized technical soldiers of the 13 arms not to be included in the reserve forces. Zhenxing District of Dandong City has also calculated, through registration, the number of local specialized medical, signal and transportation technical personnel so as to provide reliable data of mobilization potential in time of war.

In order to provide specialized technical soldiers for use in time of war when the expansion of distributional arrangements is needed, our province has established nine bases where we can hold in reserve tank, artillery, signal, antichemical, pontoon bridge, and other specialized technical soldiers, and collected a large number of technical new recruits from appropriate departments, thus creating favorable conditions for organizing the forces of

specialized technical soldiers on the spot and in an organizationally systematic manner.

We have carried out retraining and mobilization drills. The reserve forces in Jinzhou have persistently organized organic companies to conduct concentrated training for 1 month a year for 2 years in succession, and have retrained tank crew and radio operators for 3 years in succession. In order to master the procedures and methods of emergency mobilization, Jinzhou, Fuxin, Anshan, and Fushun have held emergency mobilization drills of different scales. In July last year, the Dalian Military Subdistrict conducted an emergency mobilization of 385 navy reserve personnel from five districts and one country, sent them to army units for 3 days, and carried out an exercise joined by four submarine chasers and six coastal artillery companies on supplying manpower for losses in war.

CSO: 4005/142

MILITARY AND PUBLIC SECURITY AFFAIRS

GUANGZHOU PLA HOLDS MILITARY SKILL CONTEST

OW141333 Beijing XINHUA Domestic Service in Chinese 0824 GMT 11 Oct 84

[By reporters Xu Beiyang and Liu Nanchang]

[Text] Guangzhou, 11 Oct (XINHUA)--A military skill contest held by the Guangzhou Military Region closed today. The contest has shown that the PLA has great potential in using science to enhance its fighting power and reform its training.

The 12-day military skill contest was the largest in scale ever to be held by the Guangzhou Military Region. It involved the most branches of arms and dealt with some of the latest and most difficult military skills. It had 134 events in connection with the skills of the infantry, artillery corps, engineering corps, signal corps, armored force, reconnaissance units, and anti-chemical warfare corps. One-third of the events dealt with skills that are newly added to training programs to meet modern war requirements. The Guangxi border defense units have applied the principles of mechanics in practice shooting of repeating firearms and invented a set of time-saving and highly effective training methods. The 16 contests from the Guangxi border defense units took the group title in the repeating firearms shooting even although one-half of them are new fighters. The first place winner of the artillery firing event was a regiment that had completed six reforms in 1983, including one of the computing firing data with electronic computers. Since the reforms, the regiment has rapidly improved its training results and shot with unfailing accuracy during all firing exercises.

Since 1983, using science to enhance fighting power has become an important guiding principle for all units of the Guangzhou Military Region in military training reform. According to incomplete statistics, they have achieved good results in 145 reform projects in connection with the training system, contents, methods, equipment, and materials.

CSO: 4005/142

MILITARY AND PUBLIC SECURITY AFFAIRS

PLA UNITS WORK TO NEGATE CULTURAL REVOLUTION

HK121206 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 11 Oct 84

[Text] According to SICHUAN RIBAO, responsible comrades of the Chengdu Military Region took other leading comrades of the region on special visits to the provincial and Chengdu City CPC committees on two occasions to solicit their opinions in order to earnestly solve the problems left over by the Cultural Revolution and to eliminate the negative results of the three supports and two militaries through their actions. By so doing, they have further strengthened the unity between the army and the government and between the army and the people and promoted the work of party rectification in both the army and localities.

During the Great Cultural Revolution, quite a few comrades in the troops stationed in Sichuan took part in the work of the three supports and two militaries. In regard to the education on thoroughly negating the Cultural Revolution, the CPC Committee of the Chengdu Military Region holds: We should not underestimate the negative results of the three supports and two militaries for the relations between the army and the government and between the army and the people and for the development of localities and the army. In order to eliminate the evil results of the three supports and two militaries, Commander Wang Chenghan and Deputy Commander Chen Mingy of the military region recently took other leading comrades to visit the provincial and Chengdu City CPC committees, where they met more than 10 leading comrades, including Yang Rudai, Yang Xizong, and Wu Xihai, and solicited their opinions in order to correct the mistakes and eliminate, through their actions, the negative results of the three supports and two militaries. Leading military and local comrades expressed their thoughts and exchanged their views in the matter of seeking truth from facts. In light of the opinions that have been solicited during the visits, the CPC Committee of the Chengdu Military Region quickly and resolutely took measures to do a good job of making self-examination, implementing the policies, and correcting the mistakes.

Through eliminating the negative results of the three supports and two militaries, the CPC Committee of the Chengdu Military Region has won the confidence of local party and government organizations and the masses of people.

CSO: 4005/142

MILITARY AND PUBLIC SECURITY AFFAIRS

BRIEFS

ARTISTS, ATHLETES HONORED--The Nanjing Military Region held a meeting on the evening of 9 October to commend advanced units and individuals on the literary, art, and sports fronts. Those commended were advanced units and individuals who had a rich indomitable revolutionary spirit to carry out reform and blaze new trails and who had made outstanding contributions to our army's literary and art undertakings and sports. Xiang Shouzhi, commander; Guo Linxiang, political commissar; and other leading comrades of the military region presented citations, medals, certificates, and prizes to the recipients. [Excerpts] [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 9 Oct 84]

QINGHAI 1984 RECRUITMENT COMPLETED--The province has successfully completed its 1984 work of recruiting new soldiers for this winter. More than 2,000 youths have been recruited into the army. The majority of the province's 2,000-odd youths who have been recruited into the army are outstanding ones from both the rural and urban areas. Some of them are even of minority nationalities. [Text] [Xining Qinghai Provincial Service in Mandarin 1000 GMT 4 Nov 84]

CSO: 4005/142

TAIWAN

#### EFFORTS STEPPED UP TO PROMOTE TIES WITH CANADA

OW151331 Taipei CNA in English 1000 GMT 15 Oct 84

[Text] Taipei, Oct 15 (CNA)--The Government of the Republic of China is stepping up efforts to promote substantive relations with Canada by inviting its newsmen, political and business leaders to visit here, according to the CENTRAL DAILY NEWS.

Since several leaders of Canada's current Ruling Progressive Conservative Party are quite familiar with leaders of this country, this is really an opportune time for the Republic of China to expand its relations with that North American country in various fields, said the paper quoting "a diplomatic source."

The source disclosed that this is part of the efforts by the Ministry of Foreign Affairs to broaden the nation's diplomatic horizons.

To complement and supplement the ministry's endeavor, the Government Information Office is also gearing up to forge relations with the Canadian press, the source indicated.

The GIO is planning to invite large number of Canadian journalists, free lancers, influential opinion leaders and political figures to visit this free island and to see for themselves the realities here. Through their reports, the GIO hopes that the Canadian people and its government will come to a better understanding of the ROC's present posture.

The source further reported that the first press group to be invited is composed of many economic and financial reporters from major Canadian news media. The group is scheduled to arrive here Tuesday for a week-long stay.

While here, the group will call on ranking government officials and visit economic and cultural installations. They will also be given opportunities to gain a better understanding about this nation's basic political policies and its future development directions.

CSO: 4000/022

PREMIER REJECTS HONG KONG ISSUE LINK TO TAIWAN

OW170351 Taipei CNA in English 0232 GMT 17 Oct 84

[Text] Taipei, 16 Oct (CNA)--Premier Yu Kuo-hwa pointed out Tuesday that the British colony of Hong Kong is now facing the crisis of being snatched away by the tyrannical Chinese Communist regime, making up what is called the Hong Kong issue.

But Taiwan, as part of the territory of the Republic of China which is a sovereign state, does not have any problems. Taiwan's situation must not be confused with the Hong Kong issue, the premier stated.

He made the stern statement in reply to an interpellation from Legislator Yu Che Yueh-ying in a legislative, Yuan meeting Tuesday.

The premier declared that the Republic of China is a body politic with land, people and sovereignty whose people are enjoying a fully democratic and free way of life as a result of the government efforts in implementing the three principles of the people and the anti-communist national policy.

This is a stark fact, he stressed, as can be seen from the interpellations put up by legislators who have been elected in open, fair and just elections.

Since its founding in 1912, the Republic of China has remained the Republic of China: it has been the Republic of China since its birth, it is the Republic of China presently, and it will continue to be the Republic of China, Premier Yu asserted.

That the Republic of China is an independent and sovereign country with its own land and people is an undeniable fact, Yu emphasized, and that the Republic of China has been carrying on its anti-communist policy and Dr Sun Yat-sen's instruction to build a nation of the people, by the people and for the people is being carried out in one of the Republic of China's provinces, Taiwan, and this is recognized by the whole world, he noted. "This is also a fact beyond any doubt," he added.

The premier quoted President Chiang Ching-kuo's remarks in a special message to Chinese people here and overseas on the eve of this year's Double Tenth National Day:

"There is only one China in the minds of the Chinese people, and that is the free, democratic and prosperous Republic of China. There is only one system suitable for the Chinese people, and that is in accord with the three principles of the people, which offer freedom, democracy and an equitable distribution of wealth for all."

The premier said, "It is precisely because in our minds there is only the free, democratic and prosperous Republic of China that our compatriots on the mainland long to join us; it is precisely because we are firm in our conviction and action of anti-communism and national recovery that the free world respects us and gives support to us."

Finally, the premier stressed that if there should be those who wished to close themselves in their own doors hoping to survive the turbulent world and who would alienate themselves from our mainland compatriots as well as from the global anti-communist camp, they would doubtless solicit their own destruction.

CSO: 4000/028

TAIWAN

PREMIER AFFIRMS ANTICOMMUNIST NATIONAL POLICY

OW170355 Taipei CNA in English 0248 GMT 17 Oct 84

[Text] Taipei, 16 Oct (CNA)--Premier Yu Kuo-hwa firmly reiterated Tuesday that the Republic of China's basic national policy of anti-communism will never change.

"We can only persist in carrying through this policy in order to assure the survival of our nation, the well-being of our society, and the blessings of our offspring," the premier told the nation's lawmakers in a legislative Yuan meeting in reply to Legislator Chang Chun-hsiung's interpellation.

Since the communist system is not compatible with the three principles of the people, we have been persistent in our anti-communist efforts to assure our own survival on the one hand and to encourage our mainland compatriots on the other, giving them hope of standing up against the tyrannical communist rule, Yu noted.

With regard to the ROC's strategy to accomplish the national recovery mission, the premier said the government has always held the principle of developing Taiwan and waiting for opportunity to recover the mainland.

Another guiding principle in this regard is the late President Chiang Kai-shek's "thirty percent military actions and seventy percent political influences," the premier added.

CSO: 4000/028

TAIWAN

TAIWAN FOREIGN MINISTER ON 'OLYMPIC FORMULA'

OW160341 Taipei CNA in English 0232 GMT 16 Oct 84

[Text] Taipei, 15 Oct (CNA)--Foreign Minister Chu Fu-sung said Monday that the so-called "Olympic Formula" for this nation's participation in the Olympic Games will not be applicable to the nation's membership in any other international organization.

Testifying before the Foreign Affairs Committee of the Legislative Yuan, he explained that the use of that formula was purely an expedient arrangement aimed at allowing the ROC to resume its membership in the global sports body and to make it possible for ROC athletes to participate in international sports activities.

He emphasized, however, that in the face of the Peiping regime's strengthening united front warfare to oust this country from various international organizations, the Republic of China will abide by two principles in its participation in international activities, namely, that it will not compromise its legal status in inter-government organizations, and that it will not withdraw nor stay away from non-governmental organizations.

Elaborating, Minister Chu stated the following guideline:

--in order to participate in as many international activities as possible, the national will adopt different positions on different occasions;

--the basic policy and position of the government should not be compromised simply for the sake of participation in international organizations; and

--if situation so requires, the nation's delegation should state clearly the firm position of the country that it would never compromise with the communists.

CSO: 4000/028

TAIWAN

FOREIGN MINISTER ON AID FOR HONG KONG RESIDENTS

OW151722 Taipei CNA in English 1444 GMT 15 Oct 84

[Text] Taipei, 15 Oct (CNA)--Foreign Minister Chu Fu-sung said at the Legislative Yuan Monday that the government here is trying to render necessary assistance to Chinese residents in Hong Kong and Kowloon, actively helping them retain their free style of living.

He told members of the Legislative Yuan's Foreign Affairs Committee that the government is giving stronger support to the Chinese in Hong Kong wishing to begin to participate in their own local elections, in addition to helping those who wish to resettle in Taiwan.

Minister Chu said, in the wake of the signing of the British-Peiping draft agreement on the future of Hong Kong on 26 September this year, the government of the Republic of China on Taiwan has upgraded the functions of the special ad hoc group in charge of Hong Kong affairs.

Vice Premier Lin Yang-kang heads the special group, he added.

The government has also taken some measures to meet the development of the Hong Kong issue. They include:

--Reporting the Chinese communists' political conspiracies and calling on international news media to be aware of the various masks the communists put on for the world to see.

--Assisting Chinese in Hong Kong to take part in their own local elections, to help them elevate their political status, and to help fight for their freedom of speech, and

--Drafting financial, economic and transportation plans to cope with future development in the British colony, and making arrangements for the Hong Kong Chinese to resettle here.

Minister Chu pointed out that after the inking of the pact between Britain and the Peiping regime, some foreign countries expressed their approval of the agreement, "but they are only diplomatic sentiments rather than real consent," he said. "Many international news media have been skeptical about the contents of the pact. This is because it is impossible for the communist and the free and democratic systems to coexist," Chu stressed.

TAIWAN

LEE URGES UNITY TO 'CRUSH COMMUNIST PLOT'

OW211439 Taipei CNA in English 1356 GMT 21 Oct 84

[Text] Taipei, 21 Oct (CNA)--Vice President Lee Teng-Hui said Sunday that the Republic of China does not oppose unification of the whole of China but that the unification must be achieved under the three principles of the people so that all the Chinese can enjoy a free, democratic and prosperous life.

The vice president made the statement while addressing a celebration rally marking the 32nd Overseas Chinese Day and the opening ceremony of the board members meeting of the Federation of Overseas Chinese Associations at the Taipei City Hall.

He pointed out that the Chinese communists are using the false image of "peaceful unification" in an attempt to divide the anti-communist camp of the free world as well as to weaken the anti-communist determination of the Chinese people at home and overseas.

He urged all overseas Chinese to beware of the communist trick by uniting firmly together and making concerted efforts, which he said will be enough to crush the communist plot.

He also urged them to give both moral and material supports to the Chinese people in Hong Kong who are facing an uncertain destiny in the wake of the London-Piping agreement on the future of that territory.

Finally the vice president expressed his respects and admiration for the overseas Chinese who have been giving unmitigated support to the government of their free motherland, hoping that they will continue to act as "the mother of Chinese revolution" to help accomplish the historic mission of national recovery and reconstruction.

CSO: 4000/028

TAIWAN

CHINA POST EDITORIAL ON PREMIER YU'S ADMONITION

OW220905 Taipei CHINA POST in English 18 Oct 84 p 4

[Editorial: "Premier Yu Kuo-hwa's Admonition"]

[Text] Premier Yu Kuo-hwa's admonition to some legislators' views on Taiwan's "self-determination" should be carefully noted by all the free people.

Premier Yu told the legislators that the proposal to decide Taiwan's future by so-called "self determination" will present an excuse to the Chinese communists to use military force to invade the island.

Premier Yu's statement was made in reply to an interpellation by Legislator Mr. Hsu Jung-shu. Yu said that the "self-determination" proposal nullifies both the Chinese nationality of people here and the position of Taiwan province as a part of the nation.

The ROC premier told her that such a proposal can be easily turned to their own advantage by members of the Taiwan Independence Movement which has been banned by the government as a rebel organization. It has also been declared by U.S. court in California as a terrorist organization.

The best way to promote the nation's international status, noted the premier, is to continue to develop the island as a rich and peaceful society to maintain the nation's sovereignty and to reunite China under the guidance of the three principles of the people. He declared that Chinese who isolate themselves from their mainland compatriots and the free world will bring about the ruin of the people and the nation. He rejected Ms Yu Chen's [Yu Chen Yue-ying's] proposal, saying that the Hong Kong project cannot be compared to the Taiwan case.

CSO: 4000/028

TAIWAN

PREMIER YU ADDRESSES PROVINCIAL MEETING

OW271031 Taipei CHINA POST in English 25 Oct 84 p 12

[Text] Premier Yu Kuo-hwa urged participants of the 1984 Taiwan provincial administrative meeting to do their utmost to build Taiwan as a model province of the Three Principles of the People by abiding by the instructions of President Chiang Ching-kuo that "national interests come first and the well-being of the people comes before everything."

The annual meeting, presided over by Governor Chiu Chuang-huan, was held yesterday at the Provincial Information Hall at Chung Hsing New Village in Nantou County. Participants included all members of the Provincial Assembly and 21 magistrates and mayors from counties and cities in Taiwan Province.

The premier stressed that the government and people must unite together with faith and dedication so that society can progress steadily and peacefully and the country can create a bright future through progress.

Governor Chiu noted at the opening ceremony that the promotion of provincial administration is not only to maintain what has already been accomplished, but also to accomplish what has not been achieved.

CSO: 4000/028

TAIWAN

AUSTRALIA, NEW ZEALAND OPEN TRADE OFFICES

OW180827 Taipei CHINA POST in English 15 Oct 84 p 7

[Text] In a move to further expand bilateral trade and economic relations, the ROC-Australia Trade Association and the Chinese-New Zealand Business Council were formally inaugurated in Taipei.

Formed by over 40 representative public and private enterprises, business and financial establishments here, the two organizations will respectively help promote economic cooperation between the Republic of China and the two Oceania countries. The two offices will also organize visiting programs for local businessmen to tap the potential markets in these two nations.

The two new organizations will all be headed by Ku Chen-Fu chairman of the Chinese National Association of Industry and Commerce. For the formation of the ROC-Australia Trade Association, Ku signed an agreement with Mr. A. Frank Crothall, president of New Zealand Chamber of Commerce, on 7 June. New Zealand's business leaders earlier set up a counterpart organization, named the New Zealand-Taiwan Business Council, for similar functions.

Meanwhile, Ku also inked an accord with Sir Charles Court, former prime minister of West Australia, in early July for the replacement of business promotion organizations in each other's countries. The Australia-Taiwan Trade Association was thus inaugurated in Australia at the end of the month.

CSO: 4000/028

HONG KONG MEDIA ON CHINA

PRC LEADERS PLAN 'CAPITALIST MARITIME ZONE'

Hong Kong CHENG MING [CONTENDING] in Chinese No 83, Sep 84 pp 21-24

[Article in "Word From the North" column by Luo Ping: "A Great Plan for the Benefit of Hong Kong's Future"]

[Text] The Program of Zhao Ziyang's Brain Trust

A great plan is now being deliberated on in Zhongnanhai.

This is the plan for Hong Kong's future. If this plan can be finally adopted and achieved, it will mean good fortune for the Hong Kong people and also for the 1 billion people.

Everybody knows that Zhao Ziyang is the premier of the State Council, but many people do not know that, besides playing this important role in the State Council, he holds another important post, namely: minister in charge of the State Restructuring of the Economic System Commission. The first important matter for China today is economic reform. Therefore, the importance of this commission is obvious, and Premier Zhao Ziyang's personal leadership of this organization is also understandable. Some people in Beijing regard the State Restructuring of the Economic System Commission as a brain trust of Zhao Ziyang's, because in the commission are "hidden dragons and crouching tigers"--many experts and persons of outstanding ability.

The commission has made this kind of appraisal: China's "Gold Coast" --the coast along Fujian, Guangdong, and the Taiwan Strait--has the possibility of becoming one of the international economic centers. Based on this appraisal, it has made a bold plan, namely, to take the "gold within the gold" (an important component part of the "Gold Coast") composed of Xiamen, Quanzhou, and Zhangzhou--this "Golden Triangle"--and unite it with the Zhujiang Delta and the area in the southern part of Taiwan to form a world ocean shipping and air transport center. Under this plan, Xiamen would be built into a financial and trade center and a city for the intelligensia; Quanzhou would be built into China's "Silicon Valley" (America's rising industrial city where the electronics industry is concentrated); and Zhangzhou would be built into a base for China's research in the life sciences and genetic engineering. According to this plan, the entire "Golden Triangle" would be an economic zone catering to the world market and to the world scientific and artistic models.

In addition, Zhao Ziyang's brain trust has an even bolder plan, namely, to build Xiamen, Taiwan, Hainan Island, and Hong Kong into the same type of zone, building capitalism on the fringe of the socialist mainland, achieving "one country with two systems," and using this "Maritime Gold Zone" to make up for the mainland's deficiencies.

Of course, this is a fairly long-term program, because Hong Kong's sovereignty has not yet reverted to China, and the "reunification of Taiwan" is even less certain to be achieved within 30 years. However, "to repair the house before it rains," the earlier the preparatory work is begun the better. It is said that the initial plan has already been looked over by Hu Yaobang and Zhao Ziyang and passed to the Secretariat of the CPC Central Committee for discussion. In the end, it will be given to the highest policymaker, Deng Xiaoping, for his okay. Hu and Yao have this idea: the preparatory work may begin in Xiamen and Hainan.

#### Xiamen--A Free Port

The high stratum of the Chinese communists has already decided to open up Xiamen as a Hong Kong-style free port, but it has not yet announced this decision. Like Taiwan, Hong Kong, and Qiongzhou [Hainan], Xiamen was originally an island, but in 1950 the Jimei Embankment linking it to the mainland was built. In October 1980, they approved the making of a 2.5-square kilometer place in the Huli area of northwestern Xiamen Island into a special economic zone, and not long afterward the CPC Central Committee and State Council, in order to run the special economic zone well, decided to expand the scope of the zone to the entire island. Now, the whole island of Xiamen, which is richly endowed by nature, is advancing toward the goal of becoming a multi-industry comprehensive special economic zone with industry, entrepot trade, transport, tourism, banding, and house properties.

A batch of technologically advanced joint capital enterprises and independent capital enterprises will be set up this year. These enterprises will become factors for increasing Xiamen's capitalist economy. Recently, foreign businessmen have come in an endless stream to Xiamen to hold business talks, giving rise to the phenomenon of the "four many's": many big financial groups, many investors, many contract signings, and many advanced technological projects. In the 50 days alone from the middle of March to the beginning of May, travelling businessmen and experts from America, Japan, Britain, Italy, and six other countries came to Xiamen to discuss investments and to investigate, and in addition to them there was a large batch of Hong Kong businessmen. The role played by international banking circles as investors has also drawn a good deal of attention. Hong Kong's Banking Corporation and Chiyu Bank and the American Construction Bank have set up representative offices in Xiamen. Britain's Chartered Bank, unwilling to lag behind, has sent people to Xiamen to request permission to set up a branch bank. Recently, the special economic zone, with the Bank of China and the Hong Kong and Macao Wujia Huazi Bank, formed the Special Economic Zone Joint Development Company to raise funds for the development of the special economic zone, and the prospects are not bad.

Xiamen port is one of China's few good natural harbors, and when 10,000-ton ships enter the harbor they are unaffected by tides, and its distance from Shanghai, Hong Kong, and Taiwan is not far. It has already been decided that, besides the Dongdu Wharf, an additional 23 deep-water berths will be built, with an annual volume of freight traffic close to 20 million tons. Coupled with the construction of Xiamen International Airport and the perfection of communications facilities, there is a possibility that Xiamen Port, like Hong Kong, will become an international trade center.

Looking at the present, Xiamen possesses all of the conditions for developing into a special economic zone with the capitalist economy being primary.

#### Hainan--Free Island

The Hainan government has already become a "first-level government," and in all its foreign travel and in economic construction within the special economic zone it can "go its own way" and does not need to be led or controlled by the Guangdong Provincial Government. This was the first step on Hainan's, this "treasure island," road of becoming a "free island," being a more "special" economic zone than the Shenzhen Special Economic Zone. Sometime ago, the CPC Central Committee issued Document No 11, in which it stressed that Hainan "would be opening to the outside world promote its development, and by development support its opening to the outside world." The so-called opening to the outside world means to draw in foreign capital, and of course there must also be good "internal unity." Compared with Shenzhen and other places, the Hainan Special Economic Zone has a more favorable condition for drawing in foreign businessmen and foreign capital, namely, that many import and export trade commodities are exempt from taxation. Before automobiles, television sets, radios, refrigerators, and 13 other commodities can enter the country at Shenzhen a tax must be paid, but on Hainan Island they can be imported tax-free. This policy of tax exemption at the same time has also drawn in funds from many provinces on the mainland. On the streets of Kaikou, the capital of Hainan, in addition to many Hong Kong and foreign businessmen, Chinese official merchants and private merchants who speak the northern dialect are found everywhere.

However, to draw in foreign capital it is necessary to create a good investment climate for Hong Kong businessmen, Overseas Chinese businessmen (the island has 1.2 million Overseas Chinese), and foreign businessmen, and that requires the construction of good basic projects.

Formerly, Hainan Island was backward in all aspects.

Therefore, the construction of airport, harbor, railway, highway, coal, electric power, and communications projects is given first place in the plan to develop Hainan. The total amount of investment in the many basic projects already started is more than 800 million yuan.

Over the recent years, particularly during the recent period when the pace of construction was accelerated, there has been much development of Hainan's

external communications. In sea transportation, there has already been started a Haikou-Hong Kong direct route for passenger and cargo ships (the voyage takes 21 hours); in July 1984 there was started up a direct shipping line between Sanya (a deep-water port on the southern tip of Hainan Island) and Hong Kong (the voyage takes 42 hours). In addition, the Ministry of Communications of the State Council is mapping out a program for the development of several ports. In external air communications, more than a year ago the Hainan authorities decided to open up a direct air service between Haikou and Hong Kong, and this meant first rebuilding the runway at Haikou Airport and building additional multistoried buildings at the international airport. Because in the early years part of the airport was borrowed by the Air Force, the decision to rebuild the airport caused inconveniences to the Air Force and opposition on its party, which delayed the rebuilding for some time. In July 1984, work finally began on this project. The original Haikou Airport is now temporarily closed and the old runway is being dug up in stages. Before long a new-type runway that can handle 747 aircraft will be laid. It is said that by the end of 1984 there will be air transportation between Kaikou and Hong Kong.

To introduce foreign capital and strengthen the relationship with Hong Kong, the State Council has approved the setting up by Hainan District of an administrative body in Hong Kong. Hainan has mandated the Guangda Company to be the middleman in introducing foreign capital and equipment for the development of many key projects on Hainan, including the extraction and processing of titanium and cobalt.

#### Catching Up With Taiwan in 20 Years

Zhao Ziyang's brain trust thinks that, before a large amount of foreign capital pours into Hainan Island, there should be developed funds from the internal individual economy, cooperative economy, and private enterprises. Gu Mu [6253 3668], the member of the Standing Committee of the State Council who is in charge of the work of special economic zones, favors individual and collective contracts for tourism and passenger transport and for the development of rubber on Hainan. He has said: "The state is short of funds to buy vehicles for tourism, so what is wrong with letting other individuals who have the conditions for handling passengers develop tourism? In particular, for the development of rubber and other tropical crops, it will not do to rely solely on estate farms. For collectives that can do it and for individuals who have the conditions for it, we must also encourage and support contracts with them." Gu Mu maintained, "If the economic system of Hainan Island is enlivened, other people will have the conditions for cooperation." This is probably in the spirit of the Central Committee's document when it says "by development support its opening to the outside world."

However, what the brain trust of Hu Yaobang and Zhao Ziyang envisages for Hainan is even bolder. They want to draw on the forces of the capitalist economy to catch up with Taiwan. They think that it would not be easy for all of China, with its vast territory and huge population, to catch up with the Taiwan people's standard of living. But Hainan Island has a population

of only 5 million people and an area of only 32,200 square kilometers, and if a fairly large strength is built up to open up and develop Hainan, in about 20 years it can catch up with the Taiwan level.

It would be of very great advantage to the Chinese mainland to link up Xiamen, Taiwan, Hong Kong, and Hainan into a capitalist maritime zone. Of course, there certainly exists resistance from "leftist" quarters in the form of "opposition to the restoration of capitalism," but circumstances are stronger than people, and it is believed that this resistance can be overcome. It is said that some high-level personages think that this great plan can certainly be achieved, and that with Xiamen taking off, Hainan Island following, and Hong Kong being taken back, this development of the capitalist economy in one area after another will manifest the good faith of the Chinese communists in their formula of "one country with two systems" and will have a strong appeal for Taiwan, so that at that time, "where water flows a channel is formed--when conditions are ripe, success will come," the great cause of reunification can finally be completed.

#### The Lure of the "Pacific Era"

In the most recent period, international futurists and economic experts have declared: The 21st century will be the "Pacific Era." West Germany's DIE WELT published an article in which it said: "The littoral countries of the Pacific Ocean now comprise the area that holds the balance in the world's economy and technology. The superiority over the Western European industrial countries of this area in comprehensive and key technologies is expanding. Just as in older days the focus of Western civilization shifted from the Mediterranean region to the Atlantic region, in today's world the advanced production and scientific research places are constantly shifting from the Atlantic region to the Pacific region. No matter whether it is the numerous surveys or the hard statistical figures, they all confirm this point." The article also says: "The PRC occupies a central position in the Pacific region, and because of its planned economy and its fairly little foreign trade it is hard for it to meet the requirements of other potential partners in a community. In the past several years, during its process of modernization, China has introduced from abroad some principles of the market economy and has accepted on a wide scale capital and technical patents from foreign countries. China's position as a great power, its enormous market potential, and its influence on Southeast Asia are factors that cannot be overlooked."

The brain trust of Hu and Zhao agree with the estimate and views of the foreign futurists and economic experts.

The attractive power of the words "Pacific era" is very great. This is a lure in their thinking about a "maritime gold zone." Certain high-level personages of the Chinese communists, although favoring this view, have the motive of just making use of the strength of the capitalist economy to make up for the temporary inadequacies of the socialist economy. When the socialist economy takes off, they believe there will be a "transformation of the capitalist economy." However, some intellectuals in the know in Beijing think that, in the competition between the two systems, it cannot now be

determined which will gain supremacy in the end. A poet said to me quietly: "It is not certain when the time comes whether the East wind will prevail over the West wind, or the West wind will prevail over the East wind."

#### What the Hong Kong People Want

In any case, if the plan to gradually build Xiamen, Taiwan, Hong Kong, and Hainan into a maritime capitalist "Gold Zone" is gradually achieved, it will be a big piece of good news for the Hong Kong people. However, blind optimism is more than enough for failure and insufficient for success.

It looks like the Hong Kong people should use the opportune moment to do three things:

1. Express to Beijing their approval of and support for the proposal to establish a "capitalist maritime zone";
2. Call on Xiamen and Hainan to practice true capitalism, and not one that is "rightist" in form and "leftist" in reality;
3. And, as much as they can, make substantive contributions to the realization and perfection of the "capitalist maritime zone."

The realization of this great plan is the fundamental guarantee for no change in Hong Kong's system after 1977.

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IMPLICATIONS OF CURRENT REFORM FOR CHINA'S FUTURE VIEWED

Hong Kong CHENG MING [CONTENDING] in Chinese No 84, Oct 84 pp 26-34

[Article by Wen Hui: "On China's Destiny--the 35-Year Past and the Direction To Be Taken in the Future"]

[Text] People can distort history. The distorted history should and can be redistorted.

In China's past 35 years, has history gone through and is going through a process of distortion and a distortion of the distortion?

Distortion of History

The CPC uses many numbers indicating rise, growth, and breakthrough, long-range rockets pass through Tiananmen Square, and festival garlands bedeck the neck of the 35-year-old republic. In reality this is a halo created for the Communist Party. Yes, the numbers are beautiful, the rockets are magnificent, and in many projects points have been scored on the work achievements table. However, all of these things cannot show that in the past history there were no manmade distortions. If the Communist Party had not repeatedly made mistakes in direction, many numbers and situations that are not beautiful and not magnificent would not continue to exist: as of now many aspects of China's economic development are ranked below the 100th place in the world; the people's standard of living cannot compare with that of Singapore, a state which has only been in existence for 25 years, and is lower than that of Poland, which has had political and economic crises (in 1983 in Poland, there was an average of 1 automobile for every 5 households, and for every 100 city households, there were 104 television sets, 103 washing machines, and 94 refrigerators); and China's atomic bombs, hydrogen bombs, and long-range guided missiles have been successfully tested and launched in succession, but the number of scientific and technological talents in present-day China is not as large as India's, and its total number of electronic computer talents is only equal to the number of students graduated in the electronic computer speciality in 1 year in the Soviet Union. Looking at the 35 years comprehensively, the CPC's sense of shame should be greater than its sense of pride.

How was the past history distorted? What were the serious mistakes in direction repeatedly made by the Chinese communists? I believe one answer is:

the slogan "under no circumstances forget class struggle" and the series of political movements, which created historical tragedies.

This is not a mistaken answer. However, the fundamental problem that caused China's fate to be bad in the past was: The CPC at a mistaken time and based on a mistaken concept practiced a mistaken socialism.

#### Mistaken Time

The mistaken time--in an historical period when socialism should not be practiced it practiced socialism. In the China of 35 years ago, the small-scale peasant economy occupied the absolute dominant position in the national economy, big industry had been sprouting for only a short time, and the level of productive forces in society was very low. Based on objective requirements and the laws of social development, the development of productive forces should have been made a long-term historical task. To fulfill the task, it was necessary, through economic pluralization, to fully mobilize all kinds of positive factors advantageous for improving the productive forces. The socialist doctrine of Marx and Lenin calls this historical period the transitional period, and it is a long bridge toward communism (whose first stage is socialism).

This transition should be a "rich transition." Rich means a rich people, a rich society, and a rich country; that is, an extremely high development of the productive forces. After the October Revolution, Lenin once committed the mistake of letting Russia skip the transitional period and rush into the first stage of communism. When summing up the experiences and lessons of this, he said: "If a country's big industry occupies the dominant position, or even if it does not but it is highly developed, and also the big production of agriculture is very developed, then it is possible to make the transition to communism (meaning the first stage of communism, namely, socialism--annotator). If this is not the case, then economically it is not possible to make the transition to communism." ("Complete Works of Lenin," vol 32, p 222) The CPC, like the parties in power in all "socialist countries," neglected the transitional period, this law of historical stages, and soon after the founding of the PRC began making it socialist; in 1956 it announced that socialism had basically been achieved in China. This was an historical mistake. Lenin and the leaders of other "socialist countries" made a suprastage "forced transition," and the CPC leader in 1950 thought, through people's communitization, to push the country to a higher historical stage of communism (the second stage of communism). This was piling one mistake on top of another.

#### Mistaken Concept

The mistaken concept--toward history an attitude of subjectivism was adopted; toward change, there was a sinking into the left-opportunist line; and toward Marxism and Leninism, pragmatic measures were employed.

There are laws for the development of society. The most basic law is that production relations must fit the productive forces. For a long time the CPC has disregarded historical laws, effecting social change by subjectively doing

as it pleases and constantly changing production relations, under the illusion that one morning it would set up a system of ownership of the whole people that was the purest of the pure, that it would change small collectives to big collectives and let the big collectives make the transition to ownership by the whole people, constantly "cutting off the trail of capitalism." One example was the "socialist transformation of agriculture, handicraft industry, and capitalist industry and commerce." Soon after the founding of the PRC, when it was not appropriate, these "three big transformations" were undertaken. Precisely the opposite, it should have let the individual economy and the capitalist economy develop so as to raise the level of the productive forces of society. But the Chinese communists' historical idealism became excessively inflated, and in 1952 they proposed "within a relatively long period of time to gradually achieve socialist industrialization, and gradually complete the socialist transformation of agriculture, handicraft industry, and capitalist industry and commerce," and in 1954 this was written into the constitution. However, after 2 years, they even did not want the limiting terms "a relatively long period of time," "gradually achieve," and "gradually complete." What they wanted was the immediate realization of the "three big transformations." Therefore, in 1956 a "decisive victory was obtained" in the "three big transformations." The commune-ization after this regarded the people's communes as the "golden bridge to communism," which was a Don Quixote-type joke. What the modern Don Quixote wanted to conquer were the windmills of historical laws. But was he able to evade the fate of being defeated?

Soon after the founding of the PRC, the Chinese communist leaders in their line gradually sank into left opportunism. Actually, there appeared signs of this mistake in line on the eve of the founding of the state. In his "Report to the Second Plenary Session of the Seventh CPC Central Committee," Mao Zedong put forward the basic principles and policies for the period after the founding of the state. This report emphatically pointed out that the basic contradiction within the country would be the "contradiction between the working class and the bourgeoisie" and that a "policy of restriction" would be adopted toward capitalism. The report said, "The adoption of a policy of restriction toward private capitalism is bound to meet with resistance by the bourgeoisie to various degrees and in various forms, particularly by the heads of big enterprises among the private enterprises, that is, the big capitalists. Restriction and anti-restriction will be the principal form of class struggle in the new democratic state." ("Selected Works of Mao Zedong," vol 4, p 1,433) After the founding of the state, the CPC step by step eliminated capitalism and intensified class struggle. Mao Zedong was the representative of the leftist line. When in 1956 a resolution of the Eighth CPC Congress said that the principal contradiction in Chinese society was the contradiction between an advanced socialist system and the backward productive forces of society, he did not express a dissenting opinion, but not long after the close of the Eighth CPC Congress, he said at the Third Plenary Session of the Eighth CPC Central Committee that the Eighth CPC Congress' formulation concerning the basic contradiction was incorrect. He maintained, "The contradiction between the proletariat, the contradiction between the socialist path and the capitalist path, is without the slightest doubt, the principal contradiction in our country's society today." ("Selected Works of Mao Zedong," vol 5, p 45) He also pointed out: "We are now in a

socialist revolution, and the revolution's spearhead is aimed at the bourgeoisie." (Ibid) In the 12 years from 1957 to 1976, Mao Zedong always stressed "class struggle." When the bourgeoisie no longer existed, he regarded as bourgeoisie to be struggled against intellectuals and cadres inside and outside the party who on certain questions held opinions at odds with his. The "antirightist campaign," the "Cultural Revolution," and so forth, were all launched in the name of the "continuing revolution," "opposing the bourgeoisie," "[opposing] the powerholders in the whole party who are taking the capitalist road," and "the proletariat eliminating the bourgeoisie" (of course, Mao Zedong's "Cultural Revolution" was clearly related to the extreme inflation of his own political ambition).

The Chinese communists have all along posed as a Marxist political party, but they have always adopted a pragmatic attitude toward Marxism. This is to say, they took out of Marx' and Lenin's works chapters, sections, sentences, and phrases that are of advantage to themselves and made them the basis of their theory and actions; with regard to certain things that did not suit their interests, they either avoided the subject or, with the beautiful rhetoric of "developing Marxism-Leninism," emasculated them. With regard to Marx' theory that a capitalist society is bound to develop into a socialist society, they looked up to it as the standard; with regard to Marx' viewpoint that to achieve socialism a country must possess the condition of high level of development of the productive forces of society, they totally cast it aside. With regard to Marx' and Lenin's doctrine that there is a transitional period between a capitalist society and a socialist society, the Chinese communists did not pay much attention to it, and even misinterpreted it to mean the entire socialist period (the first stage of communism). Marx and Lenin said that for the proletarian dictatorship a transitional period is needed, and also maintained, "After the proletariat's task of seizing political power is resolved, following which its task of expropriating the expropriators and suppressing their resistance is roughly and basically resolved, it is bound to raise to the chief position the creation of a social economic system higher than that of capitalist society; this basic task is the raising of the labor productivity rate." ("Complete Works of Lenin," vol 27, p 235) But from 1949 to now the Chinese communists have all along "upheld the proletarian dictatorship." When Marx and Lenin expounded on proletarian dictatorship, they stressed proletarian democracy. Lenin also refuted the mistaken ideas of those who "think dictatorship means the abolishing of all guarantees of freedom and democracy, means running amuck, means abusing power to seek the dictator's individual interests." ("Complete Works of Lenin," vol 31, p 309) And the Chinese communist leader was precisely that type of person whom Lenin denounced.

#### Mistaken Socialism

Mistaken socialism--the Stalinist pattern that the Chinese communists imported from the Soviet Union is the mistaken socialism; what was processed and supplemented on the Stalinist pattern was also mistaken socialism.

What is socialism? This is a question that up to the present still needs to be probed. Deng Xiaoping has acknowledged that "our past understanding on

this question was not completely clear-headed." (LIAOWANG [OUTLOOK] magazine, 20 August 1984. (Feidoshev), the vice president of the Soviet Academy of Sciences, recently in a selected article in SOCIAL SCIENCE pointed out that the Soviet theoretical circles still do not have a clear understanding of the economic laws of a socialist society, and from this it can be known that up to now there has not yet been an authoritative answer to whether the shape of socialism is round, square, or flat. The socialist society envisaged by Marx and Lenin embodied these defining qualities;

1. The realization of comprehensive ownership of the whole people;
2. The whole society practices distribution according to work in accordance with unified criteria;
3. A planned economy is implemented;
4. The people are prosperous in common;
5. The labor productivity rate is much higher than that of capitalist countries;
6. A democracy is established that is "a hundred-fold more democratic than that of any bourgeois democracy";
7. There are no classes and no class exploitation.

Marx thought that this kind of society was produced under conditions in which the social productive forces were highly developed and the social material base was extremely solid. For more than 100 years, a socialist country has not yet appeared under these conditions. No matter whether it was Eastern Europe or East Asia, no matter whether it was the Soviet Union or Cuba, in none of the "socialist countries" that appeared on the horizon were the productive forces originally highly developed, and they were even extremely backward. But they all in one leap skipped over the transitional period, transcended an historical period, and entered the "socialist paradise." This "paradise" has these defining qualities:

1. The ownership by the whole people changes into "eating out of one big pot" without anyone being responsible;
2. Distribution according to work changes into egalitarianism;
3. With the implementation of a planned economy, the state's powers of economic management are highly centralized;
4. Industry is stressed and agriculture slighted, heavy industry is stressed and light industry slighted, production quotas and accumulation are stressed and people's life is slighted, and people are poor in common;
5. The labor productivity rate is lower than that of the ordinary capitalist country;

6. There is one-party dictatorship, and the leader is a dictator;
7. There is a growth of bureaucratic organizations and a special-privilege stratum.

If one says this is socialism, one can only admit that it is a socialism that is congenitally deficient, has an acquired imbalance, and is of a feudal nature. Before the October Revolution, Russia was a country engulfed in the boundless ocean of the small-peasant economy and feudalism. The revolution did not burst through the filth and mire of feudalism and also did not pass through a transitional period of more than 20 to 30 years, and thus it is not all strange that the queer baby lying in the cradle of revolution was neither fish, flesh, nor fowl. This was Stalin's economic system and political system. What was unfortunate was that the Chinese communists applied the Stalinist pattern indiscriminately in China. Because the soil of China and Russia was not too different, there was no difficulty in transplanting the Stalinist pattern. However, Mao Zedong really "developed Marxism-Leninism" by processing and supplementing the Stalinist pattern. Ten years after the October Revolution, namely, in November 1926, when making a report to the Seventh Enlarged Plenary Session of the Comintern Executive Committee, Stalin said that in the Soviet Union "the economic foundation for socialism is still far from being established" ("Complete Works of Stalin," vol 13, p 224) and the economy, in the production of circulation aspect, was going through a process in which the socialist component part was constantly triumphing over the capitalist component part. When the 20th anniversary of the October Revolution was near, Stalin announced that socialism had been built in the Soviet Union. And 6 years after the founding of the PRC, the Chinese communists declared that in its economy China had triumphed over and eliminated capitalism and that socialism had been basically achieved. Two years later there were the "Great Leap Forward," steel-smelting by the whole people, and the people's communes in preparation for pushing China through the gate into communism. In addition, there was one political movement after another. All of this painted the Stalinist economic and political systems in China's color. This half-foreign, half-indigenous Stalin-type and Mao-type socialism led to big disasters for the entire nation. It can be affirmed that in these years the feudal nature of the socialism practiced in China was greater than that of the Soviet Union and many "socialist countries."

Deng Xiaoping recently said: Poverty is not socialism. In the 1930's, Stalin said: "Socialism does not want everybody to be in poverty, but wants to eliminate poverty and to establish a rich and civilized life for all members of society." ("Complete Works of Stalin," vol 13, p 316) If these words are correct, then how can the Chinese society, which has writhed in poverty for more than 30 years, be regarded as a socialist society? Of course, a process is required for the common prosperity, but, compared with certain flourishing capitalist countries, one can see that others are heading for common prosperity while only an extremely small number of people in China have become prosperous.

True, poverty is not socialism, and the people's having no rights is also absolutely not socialism. Therefore, China's socialism can only be a deformed, out-of-shape, lame, and feudal socialism.

From a look at the fact that the CPC at a mistaken time and based on a mistaken concept has practiced a mistaken socialism, it at the least made three "transgressions":

1. It transgressed the laws of history;
2. It transgressed the people's wishes;
3. It transgressed Marx' and Engels' doctrines.

This is a summation of the "socialist revolution and the building of socialism" practiced by the Chinese communists in the past.

#### The Last 5 Years and the Great Reform

However, a change in the situation has occurred in the last more than 5 years of the 35 years.

The China of the past 35 years may be divided into three periods: the first 5 years, the middle 25 years, and the last 5 years. In the first 5 years, the left opportunism of the Chinese communists was not all that serious, and the "socialist revolution" was comparatively relaxed. In the middle 25 years, the "three big transformations" and afterward, the Chinese communists' "leftist" tendency escalated constantly and the "socialist revolution" intensified day by day. And in the last more than 5 years, after the Third Plenary Session of the Eleventh CPC Central Committee, a new historical period was entered. The defining quality of this period was: a great reform in the economy.

The wind blew from the rural areas. Under the slogans of "the people's communes are good" and "in agriculture learn from Dazhai" and the system of work and strive for prosperity, bring distribution to one level," some peasants raised the banner of revolt and practiced the production responsibility system. In a short while, the word "contract" was written all over the cultivated land throughout the country. Therefore, the pattern, which had been the practice for a long time, of layers of centralized management from the commune and production brigade to the production team was broken, and the household contract has already become the basic form of agricultural administration and management throughout the country. According to statistics, 98 percent of the total number of production brigades and teams in the entire country practice the contract system (principally the household contract system). They comprise more than 180 million peasant households. The distribution system of "eating out of one big pot" has been abandoned. Egalitarianism has been overcome. The rural economy has been invigorated. Some peasants have become well-to-do. However, the life of the greater part of the peasants is still at the level of having enough to eat and wear, commodity production is still not developed, the specialized division of work is just beginning to sprout, and the appearance of economically integrated bodies still has an individual character. Although this is the case, practice has already proved that the household contract system is an improvement on the pattern of the "three levels of ownership with the production team as the basic level." It is completely suited to the level of productive forces in which there is manually operated animal-drawn cultivation and to the level of the peasants'

ideology, and thus it is able to vigorously spur the development of agricultural production. Over the past 5 years, the entire country's output increase in grain was 82.51 million tons, equal to the total output increase in the 10 years before 1978. Behind this figure is a view of the peasants' enthusiasm for production erupting like a volcano.

When the success of the reform in the rural areas became obvious, the word "contract" went into the cities.

In the past, for the industrial enterprises under the ownership of the whole people the management system of a high degree of centralization of power at the center, and direct administration by the state, was always practiced. The enterprises did not have the slightest right to act on their own in administration and management, and the power over supply, output, and marketing and over personnel, finances, and materials was concentrated in the hands of administration and management departments at all levels. The enterprises could only do things in accordance with higher-level instructions, and the workers and staff had no right of decision in administration and management. What Marxism envisages for the workers of a socialist country is that they be both the masters of the country and the masters of the enterprises. But the workers of "socialist" China, like the workers of many "socialist countries," do not even come close to being the "masters." Under circumstances in which the enterprises and the workers and staff have no rights, the mal-practices are produced of the workers and staff not being concerned about enterprise administration, they "eat out of one big pot," the enterprises' management is not good, the bureaucracy is inflated, and so forth. After 1979, the Chinese communists took some measures to expand the right of large enterprises to act on their own. Since 1981, they have made experiments at selected points in some cities. Now, the state enterprises have put into practice various different administrative patterns, including self-administration and self-responsibility for profits and losses to a certain degree. The practice by the majority of enterprises of substituting taxes for profits (on 1 October 1984, the reform of substituting profits for taxes was put into practice), so that enterprises, under the guidance of the state's plans and policies, have step by step become economic entities in which there is state ownership, self-administration, legal payment of taxes, and self-responsibility for profits and losses. Some experiences and some results have been obtained all along during the exploration of reforms, but, in the final analysis, compared with that in the rural areas, the reforms have been of a partial and exploratory nature and have not yet obtained a major breakthrough.

During the reform of the economic system, a situation of various kinds of economic component parts existing side by side has already appeared. According to statistics, by the end of 1983, in the cities and towns throughout the country there were more than 27 million workers and staff in the collective ownership system and more than 2 million individual laborers. In addition to the collective economy and the individual economy, in the 4 special economic zones of Shenzhen, Juhai, Shantou, and Xiamen, and in the 14 coastal cities that have been further opened to the outside world, including Dalian, Tianjin, Shanghai, and Guangzhou, and Hainan Island, the Chinese-foreign joint venture and the foreign businessmen independent venture capitalist economy has also begun to develop. Reform is manifested in the opening up of foreign economic relations.

Besides reform in these several aspects, reform is being carried out in the planning system, price system, and industrial structure.

#### An Uneven Road

None of these reforms is an easy thing to do.

The reform in the rural areas was comparatively simple, but the prospects for agricultural development are not entirely bright. How are specialized contracts to be popularized? How is commodity production to be developed? How can the change in rural areas from a self-sufficient and semi-self-sufficient economy to a large-scale commodity economy be promoted (if the rural areas do not have this kind of commodity economy, they will not become prosperous)? Will the expansion of household businesses necessarily produce a new integrated body? Is this integrated business the direction for China's future agricultural development? All of these questions need to be explored. Besides this, there is a question of controlled production. The history of world economic development tells us: when the agriculture of a country develops to a certain degree, it will change from running fast to running slow, and even to running in place. After America's agriculture developed at high speed to a certain year, there was controlled production. If China's agriculture also cannot escape this "great limit," what is to be done?

The reform of urban enterprises is a hundredfold more complicated than that in rural areas. The main topic of this reform is to change the situation in which enterprises are administered equally good or bad, and workers and staff equally do more or less, to a situation in which the enterprises do not "eat out" of the state's "big pot" and the workers and staff do not "eat out" of the enterprise's "big pot." However, in some enterprises, the workers and staff want to continue to "eat out of one big pot," so what is to be done? If enterprises are responsible themselves for profits and losses, some factories will continue to lose money and must close their doors, so how is the employment problem of their workers and staff to be handled? The factory director responsibility system bestows a lot of power on the factory director, so can the situation change into the past when there was an invisible antagonism between an enterprise's leaders and its workers? What consequences will be produced by the state of affairs in which Factory A has high wages and high bonuses and Factory B has low wages and low bonuses? Is the addition of a party committee besides a factory director a case of  $1 + 1 = 2$ , or  $1 + 1 = 1$ , or  $1 - 1 = 0$ ? May an enterprise issue share certificates? Do the advantages of issuing share certificates outweigh the disadvantages or vice versa? None of these questions is as simple to solve as is drawing a circle.

In economic reform, there are many problems in other aspects. For example, in foreign relations should borrowing money from abroad replace the introduction of more foreign capital? Must there be a limit placed on letting foreign businessmen run enterprises with independent capital in the special economic zones and the open cities? What is the bottom line in stimulating foreign businessmen to run enterprises with independent capital and in opening up some markets in the interior? Again, for example, there are some particularly prominent problems in the reform of the planning system: Does the policy of

"making the planned economy primary with regulation by market mechanism supplementary" actually meet the needs of current economic development? Does the stress on a planned economy hamper the utilizing of enterprises? Should the planned economy only vanish to a macroscopic degree? Will a planned economy that departs from the market mechanism have the malpractice of being divorced from reality? Will the return to the planned economy of the 1950's stifle the vitality of economic reform and economic life?

All of these problems and difficulties need to be answered and resolved. Particularly in urban reform, there absolutely must not be a "great leap forward in reform." However, the appearance of heaps of problems and difficulties certainly must not become the basis for negating reform. Practice is proving that this reform is completely necessary. If the Stalinist economic pattern and the Stalinist-Maoist mixed economic pattern are not gotten rid of, then the development of the productive forces and the improvement of the people's life cannot be promoted, and China will practically have no hope of jumping out of its deep pit of poverty and backwardness.

#### The Great Reform and Counterreform

The major, key problems facing reform are not the above-mentioned problems, but are:

1. The reform, which has boldly broken through many old conventions, has met with a challenge in the higher stratum of the CPC Central Committee;
2. The reformers themselves have insufficient actual strength, courage and insight, and standards to persist in reform and carry out the reform (after reform there must still be reform) to the end.

In the most recent period, the Chinese communist press has published one article after another on reform. Among them, some articles stress that in the powerful current of reform there only exist obstructions produced by insufficient understanding, and that opposing tributaries (if they do not call them countercurrents they call them tributaries) do not really exist. Even more articles focus on the comment and viewpoint that reform is "taking the capitalist road." These articles in reality reflect the dispute and struggle between the reform side and the counterreform side. If the counterreform force did not exist, it would not be necessary for RENMIN RIBAO and other party newspapers, which are in the hands of the reformers, to expend so much pen and ink.

In fact, if there is reform there will be counterreform. This is a normal phenomenon in history, just as if there is a mainstream there must be tributaries is a normal phenomenon in nature. In the Tang Dynasty, after the Anshi Rebellion, the political innovations of Wang Shu'an and Wang Bei were opposed by the eunuchs. In the Song Dynasty, Wang Anshi's political reform was put under powerful pressure by the old liners. At the end of the Qing Dynasty, Kang Youwei's and Liang Qichao's Reform Movement of 1898 suffered a pincer attack by the Dowager Empress above the head of the reformer Emperor Guang Xu and the Privy Council of the Emperor under the hands of the Dowager Empress. In the early 1960's, the "three privates and one guarantee" supported

by Liu Shaoqi and Deng Xiaoping was also a reform, and what they wanted to change was the "large and collective," commune system. This reform was also fiercely attacked by an opposition faction, and the result of the trial of strength between the two sides was that the counterreformers headed by Mao Zedong suppressed Liu and Deng.

At present the reformers are facing a large counterreform force. At the end of 1983, Deng Liqua [6772 4431 0791], secretary of the Secretariat, and director of the Propaganda Department, of the CPC Central Committee, seized on an incident to exaggerate matters and started a movement to "eliminate spiritual pollution" (later changed to "oppose spiritual pollution"), which can completely be regarded as an ideological refraction of an attack by the counterreformers on the reformers. It is said that some persons in the power core of the CPC Central Committee have drawn an equality sign between the reform of boldly breaking through many old conventions on the one hand and the "bourgeois liberalization" and "taking the capitalist road" on the other. An equality sign recently publicly appeared, namely, this inscription: "The policy of opening to the outside world is the PRC's national policy of 'peaceful coexistence' toward the outside world." The five principles of peaceful coexistence are the fundamental basis for the policy of opening to the outside world, but how can an equality sign be drawn between the two? If there is no problem about this mathematical equation in logic, then wasn't the policy of peaceful coexistence carried out in the past Mao Zedong era also the policy of opening to the outside world? Does this tally with the facts? What exactly is the purpose in drawing this kind of equality sign? The one who wrote this inscription was none other than Wang Zhen [3769 7201], member of the CPC Central Committee Politburo and president of the Central Committee Party School.

On 19 August 1984, GUANGMING RIBAO published an article entitled "Reform Must Free Itself From the Fetters of Traditional Bias," in which were enumerated some expressions of opinion in opposition to reform. The article said: "In the theoretical discussions of the reform of the economic system over the past several years, some comrades have advocated that state enterprises put into practice independent accounting, self-responsibility for profits and losses, and taxpaying according to rules and regulations, and haven't some people denounced this viewpoint as a negation of ownership by the whole people? Some comrades have advocated that small state enterprises be permitted to practice letting out or worker and staff collective contracts, and haven't some persons denounced this advocacy as a jumbling together of a socialist enterprise's relations with the state and capitalism's relations of borrowing or lending money? Some comrades have advocated that, under the premise of upholding the planned economy, the regulative role of the market mechanism be given play, and haven't some people denounced this viewpoint as advocating a mixed economy or the practice of the capitalist market economy? Some comrades have advocated that the income of workers and staff of state enterprises should be linked to the business results of the enterprises, and haven't some persons denounced this viewpoint as shaking the principle of distribution according to work?" The article stated with emphasis: "In our reform of the management system of the state economy, we want to explore the establishment of patterns for the state economy that suit our country's national condition in order to promote the development of the productive

forces. However, some comrades, clutching conventions introduced from abroad in the 1950's, repudiate the diversified nature of the state ownership pattern of socialist ownership by the whole people, and denounce the viewpoint of reforming the Soviet pattern of state ownership as a 'negation of the socialist ownership by the whole people'!" It is not necessary for us to get to the bottom of whom the writer means by "some persons" and "some comrades," but we can completely reckon that persons able to put labels on other persons as they please are certainly not persons without weight. In addition to this, the original powerholders in many enterprises, because of their obsession for power, also have a natural malice toward reform.

Through a little analysis of these circumstances and a large amount of facts of this type revealed by the Chinese communist press, we may affirm that there are mainly three types of people who do not agree with and who oppose the reform: one type is a few senior-level figures in the higher stratum of the Chinese communists; the second type is cadres with a vested interest in having the reform pounded, including the leaders of industrial and commercial enterprises; and the third type is people who harbor factionalist prejudice and who are infected by the disease of envy against the reformers and the households that have prospered ahead of others. In addition, there are many people who are reluctant to leave the "big pot of food" of enterprises and of workers and staff; however, it is fairly easy to get a good grasp of these persons' ideas. Of these three types of people, the energy of the higher stratum figures is the greatest, and their main problem is that their thinking is ossified, the pernicious influence of the left on them is extremely serious, and they are tied to many old regulations and books.

Generally speaking, there is a lot of resistance to the reform. To persist in the reform and make it succeed, the reformers must break through this resistance, and in particular they must get rid of the obstructions stemming from the higher stratum.

#### What Can the Reformers Do?

How can the forces opposing reform be crushed?

Contrary to denying the existence of counterreform forces, the reformers should squarely face and pay full attention to this tributary, and struggle against it.

The form of the struggle should be peaceful, a verbal struggle and not a resort to violence. How should the verbal struggle be waged? The experiences of Hungary may be taken as a reference. In the middle of the 1970's, there appeared daily in Hungary's economy, which was being reformed, most serious difficulties because of the influence of changes in the world market. From these persons, who originally had felt discontented with reform, there gradually came speeches, and some persons shouted that there must be "a reform of the reform." Therefore, a big debate started between the reformers and the counterreformers. The counterreformers' idea was "restraint"; the open-natured economic system had to be restrained, the administrative and management power given to enterprises had to be restrained, and the flexible nature of the planned economy had to be restrained. The result of the debate

was the conclusion that the economic difficulties were not created by reform, and the opinion prevailed that the economy had been pounded by changes in the world market. Kadar, the first secretary of the Hungarian Communist Party, announced that the economic reform would continue and that "a reform of the reform" would absolutely not be permitted. Although the situation in Hungary in those years and that of China today is not completely the same, it really can draw on the experience of this debate in making clear right and wrong and in knowing what course to pursue.

The Chinese communist reformers can move the reform forum to the press and let different ideas be exchanged and confront each other. This is a verbal struggle. Reform conforms to the historical trend of the times and to the things that the hundreds of millions of people want, and in the debate the argument for reform should be unconquerable.

Contrary to denying the fact that China skipped over an historical stage, the reformers should justly and forcefully proclaim the necessity for making up missed lessons.

What missed lessons should be made up? In the economy, the lesson to be made up is the development of the productive forces and the building of a solid material foundation. In the past, it was not the case that in the academic forum the ideas about "skipping a stage" and "making up missed lessons" were not put forward, but they were denied by the figures in the power core of the CPC Central Committee. They insisted that China had already achieved socialism and they set up forbidden zones, absolutely not permitting the airing of different opinions. This interfered with theoretical explanations and smothered academic freedom. At present, the forces of counterreform have buttressed their argument by quoting out of context conservative viewpoints in the works of Marx, Engels, Lenin, and Stalin, and by comparison the theoretical firepower of the reformers is fairly weak and powerless. Recently the Chinese communist press carried articles criticizing theoretical workers in economics for "following behind the tide of reform which is rolling on," and this showed the seriousness of the problem. As a matter of fact, the reformers absolutely should not fall into the "poverty of philosophy." Volumes 32 and 33 of the "Complete Works of Lenin" contain many articles on the new economic policy that have sufficient theoretical ammunition to help the reformers win this theoretical battle. Leaving books (every sentence in books cannot be true) and looking at reality, the success of the reform in the rural areas is also quite able to explain the question. If the reform in the rural areas had been to escalate the people's communes with state farms, this would have inevitably caused more painful torment to agriculture, but now with the household contracts under which the peasant tills his own land, all of a sudden the household economy and the rural economy have been invigorated. Why is this reform superior to that reform? Because the household contract system fits the current level of the productive forces in the rural areas and at the same time suits the desires of the peasants. Generally speaking, it conforms to the direction of social development. To withdraw from the big collective to the small household in itself should be called a retrogression, but, with the situation placed before our eyes, it can only be said to be a development. Why? Is there any other explanation besides saying that it is making up a missed lesson?

Contrary to denying that a capitalist economy possesses certain superiorities, the reformers should be perfectly justified in asserting that in its present stage China needs to give the green light to the capitalist economy.

The propaganda organs controlled by the reformers have repeatedly explained that their reform is not "taking the capitalist road." This reflects their fear that "those with different political views" within the party will pin the political label of "capitalist-roader" on them. Actually, the ordinary CPC members, including their leaders, no doubt lack a correct understanding of socialism and are also deficient in their overall comprehension of capitalism. For example 40 years ago Mao Zedong declared that the capitalist system "resembled 'a dying person who is sinking fast, like the sun setting behind the western hills,' and will soon be relegated to the museum." ("Selected Works of Mao Zedong," p 679) This fortune-teller was too inaccurate. Today, 40 years later, capitalism still has extremely powerful vitality. Recently I toured America, and what I observed in the cities on the east and west coasts, some seats of learning, and Silicon Valley made me feel that the Third Wave, the new technological revolution, is bound to push capitalism to new heights. The inaccuracy of those fortune-tellers was because of the "leftist" shutter blocking their eyes, so that they neither saw the superiorities of capitalism nor discovered the function of capitalism in overcoming its crises by self-adjustment, and up to this day this function is still working normally and being given play. Of course, capitalism also has many drawbacks, but one certainly cannot because of this deny its mode of production, free economy, and administrative and management methods, which for a country that wants to change its poor backward destiny, are requirements of primary importance. On what did several "small tigers" in Asia depend on to take off? Why was Hong Kong's economy after World War II able to recover rapidly and also rise like a meteor? The most fundamental factor was its system, capitalism.

In the communists' actions, from studying the administrative and management methods of capitalism to establishing special economic zones, to opening to the outside world 14 cities and Hainan Island, from permitting the individual economy to permitting the development of Chinese-foreign joint venture capitalist enterprises, to permitting foreign capital independent venture capitalist enterprises and partially opening the domestic market to these enterprises--all this was on the right track. On what right track? On the right track of developing the productive forces and strengthening the material base. Provided they are on the right track they need not fear the rubbish talked by others. Currently, the opening to the outside world is not being overdone but rather is not being done enough; they should dismantle the fence built on the coast, turn the closed fields of activity into a world "without a single tile overhead," and everywhere give the green light to the capitalist economy. In this historical period, there must be more capitalism, and only the capitalist economy is able to help China take off rapidly.

If the reformers achieve these things, they will be able to win the people's hearts and be able to prove that they themselves possess a certain courage, insight, and standard. The former is the objective condition for the success of the reform. The latter is the principal subjective condition. By

possessing these two conditions, I believe they will certainly be able to gain a superior position in the struggle with the opposition faction and thus make the reform proceed smoothly.

#### Taking the "Socialist" or "Capitalist" Road?

Actually, what is this standard that is one of the subjective conditions for the success of reform? What is here called the standard is principally the standard of understanding laws, integrating with reality, and judging right and wrong, so that the direction, policies, plans, and measures of the reform are fairly correct and without any big fault. The situation appearing before our eyes is precisely like that of a new examination question paper being given to the reformers, and it is a test of the reformers' standard. The question is: in the reform experiment, what kind of pulse of the times is felt and where is history moving? Or that is to say, what road will China take for a long time in the future? What kind of new institutions and new systems will it establish? Will China's outlet be "socialist" or "capitalist"?

The road chosen by the reformers is the "road of building socialism with distinctive Chinese features."

If one says that this road has two sections, then the first section is the transitional period of make-up lessons and the second section is socialism; China's society is now in the former section, and I believe this accords with objective reality.

Deng Xiaoping recently said, "Poverty is not socialism." He also said: "By the end of this century the average income per capita will reach \$800. For developed countries, this is still backward; for China it will be a little change in its own poor and backward features." (LIAOWANG, 20 August 1984) From 1979 to 1999, fully 20 years (if one adds the past 30 years, it is 50 years--half a century), China will still not be able to shake off poverty. Based on Deng Xiaoping's logic, it would be inaccurate to call this period socialism. The scientific definition should be that it is a period of transition toward socialism. Of course, if one is speaking in general terms and is not seeking rigor, then it can be called "socialism with distinctive Chinese features."

However, Deng Xiaoping's talk seeking a basis for "upholding socialism" is even more worthy of discussion. He said: "If China does not take the socialist road but rather the capitalist road, then zero point some percent of the people in China will become prosperous, and the problem of making the life of 98 percent of the people prosperous cannot be solved. Therefore, we must uphold socialism." (Ibid) Two points in this statement may be discussed: 1. In the world many capitalist countries have already reached or surpassed the level of a comfortably off society, and in many rich countries it is true that the wealth of a tiny number of people can match that of the state; at the same time there is also manifested prospects for the life of the people to become universally prosperous. In Hong Kong and Taiwan, which are Chinese territory, because they are capitalist societies, there

were long ago comfortably off families for the majority of people, so why would capitalism only cause a situation on the China mainland in which "zero point some percent of the people will become prosperous, and the problem of making the life of 98 percent of the people prosperous cannot be solved"? How can capitalism make one party rich and the other poor? 2. If by the end of this century "socialism with distinctive Chinese features" is still unable to cause China to truly cast off the label of poverty and backwardness, then in exactly what month of what year can it cause in China not only zero point some percent of the people to become prosperous but also 98 percent of the people to likewise scale the height of prosperity? These statements of Deng Xiaoping's both lack logic and have no power of persuasion.

I believe that in judging whether a certain institution and system suits a certain historical period in a certain country, one should look at two points: 1) whether this institution or system is able in a certain period in this country to play the role of promoting the development of the productive forces of society; and 2) whether this institution or system is able to constantly raise the people's standard of living. These two criteria of course may be used to examine the Stalinist-Maoist mixed system of the past, and also may be used to examine the reform now being carried out and the new things that have appeared in the reform, and even more may be made the basis for choosing a new institution and system. It may be affirmed that the choice of "socialism with distinctive Chinese features" is of more benefit to the national economy and the people's livelihood than to rigidly cling to Stalin-Mao-style socialism, which has one leg in the museum of history.

#### The "Distinctive Chinese Features" Are the "Four Modernizations"

What is the former type of "socialism," namely, the "distinctive Chinese features" of the transitional period?

Perhaps we can find ten or several tens of "distinctive features," but I believe the most important "distinctive features" should be --

1. Economic pluralization: The existence side by side of component parts of the diversified economy has already become a reality. However, the diversified economy needs to be supplemented by several things: do not restrict activities to a designated "time" and wilfully practice "transformation" with regard to the existence and development of the individual economy, the various contract systems, and the lease system; in order to avoid taking the same disastrous road of the "collectivization" movement of the 1950's, do not practice collectivization based on subjective will and counter to the masses' aspirations; and the joint venture and independent venture capitalist economy must be allowed to blossom everywhere and blossom for a long time.

2. Market liberalization. In the past several years the Chinese communists have put forward the proposition of "making the planned economy primary with regulation by market mechanism supplementary" as a substitute for the past "planned economy." However, the formulation "making the planned economy primary" is not clearcut, and in specific practice it is very difficult to draw a clear demarcation line between it and the Stalinist-type "planned economy." This is one thing; the formulation of the planned economy frequently departs

from reality, including the departure from the domestic and foreign markets, and this is the second thing. Therefore, I think that China must not make plans of a directed nature and that it is also not necessary to make plans of a micro-nature, and that the "birdcage" economy should give way to the "empty cage" economy. From the macro angle, a little planned economy may be retained, but pressure of a binding nature should not be put on enterprises. Of course, if the policy of "making the planned economy primary with regulation by market mechanism supplementary" should be transposed and become "making the market economy with economic planning supplementary," this economy could become a roughly four-fifths market economy. I believe this market economy would be able to meet the need for a big development of the productive forces.

3. One country with two systems. The idea of "one country with two systems" is a breakthrough. If it is not just a tactic or expedient measure, it should be fully affirmed and also the idea may be taken one step further. I think that if "one country with two systems" is only limited to no change in the capitalist system for 50 or 100 years in Hong Kong and Taiwan, then this will only show that the Chinese communists have not raised this idea to the height of a strategic policy decision. At this height they should and can consider expanding the geographical range of "one country with two systems." For this purpose, they can take the 14 coastal cities, and Hainan Island, which have already been opened to the outside world, and employing the form of special administrative regions, put into practice capitalism of a regional nature, so that 'Xiamen people are in charge of Xiamen,' 'Qiong [Hainan] people are in charge of Qiong'--and these regions are joined together with the future Hong Kong and Taiwan. Through a long period of peaceful competition and the people's choice, one country with two systems will in the end turn into one country with one system. The foundation of this system will be extremely strong.

4. Political pluralization. Politics in the superstructure is the concentrated expression of economics. The pluralization of economics determines the pluralization of politics is also certainly able to insure the existence and development of the pluralization of economics in accordance with the historical timetable, and insure that all undertakings develop by leaps and bounds. Today's China not only is "one country with two systems" but also "one country with two parties," and even if the Taiwan Strait were filled up it would still be "one country with two systems" and "one country with two parties." Since the Kuomintang can exist, why can't other political parties? When some people hear the words "multiparty system" they appear to have extreme neurasthenia and even become hysterical. This is because they lack the concept of democracy and also because they have not summed up history. Just think, if at the time of the Eighth CPC Congress, besides a Communist Party that insisted that the center of work was class struggle, there was a communist party or a party of another name that advocated that the focus of work be construction, would not Mao Zedong's leftist socialism have suffered a diversionary and even a devastating blow? For a long time the Chinese communists have had many unusually difficult and complex diseases, including bureaucracy, the special-privilege mentality, unhealthy tendencies and evil practices, and so forth, which have worsened with the passage of time so that a Chinese herb doctor would be helpless to cure them. However, there

is a medicine with special efficacy that is able to insure a miraculous cure, and this medicine is "one country with many parties." The theory of many parties is not a betrayal of Marxism; on the contrary, the patriarchal system is the enemy of Marxism.

#### There Is Hope for China's Future

I believe that if the reformers respect the momentum of history, respect objective demands, respect the opinions of the masses, and respect their own pioneering spirit, they will gradually achieve economic pluralization, market liberalization, one country with two systems, and political pluralization--the "four changes." These "four changes" are the necessary conditions for China's changing its national destiny and achieving the "four modernizations," are the four iron legs of the fine horse that goes a thousand li a day, which it is affirmed can carry China on its back across the long bridge of the transitional period (or the "socialism with distinctive Chinese features") and rush forward into a new historical future.

How long is this long bridge? I think that using a scale of half a century to measure it would be insufficient. America and Japan have already begun to be drawn into the Third Wave (the new technological revolution), but the level of the social productive forces of these two countries has still not reached the height of establishing the ideal country. China is now even extremely weak in Second Wave (the Industrial Revolution) concepts (like the concept of efficiency, concept of time, and concept of competition) and the material base. Although it can draw support from certain technologies (like the computer) of the Third Wave, if it calls for surpassing Japan and catching up with America in 50 years from the present time this would become another "great empty talk." Of course, the long bridge will finally end. That side of the bridge, no matter whether it is capitalism or "socialism with distinctive Chinese features," is an historical leap compared with the manmade forked road of the past. If society is not satisfied with this progress and after a certain period of time puts forward another demand, then anything that stops this demand can only make it go through another channel and take another form in which it will be more strongly manifested.

In the final analysis, there is hope for China's future. No matter how history is distorted, in the end it will straighten itself out. The current reform is a starting point, but what is desired is a breakthrough from it!

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NEW INSIGHTS OF CAPITALIST ECONOMY DISCUSSED

Hsu Hsing's Views

Hong Kong CHENG MING [CONTENDING] in Chinese No 83, Sep 84 pp 44-49

[Article by Hsu Hsing [6079 5887]: "On Huan Xiang's [1360 6763] New Insights-- also Lenin's Theory on Imperialism"]

[Text] Huan Xiang's Extraordinary Views

China's well-known expert on international issues, Vice Chairman Huan Xiang of the Foreign Affairs Committee, NPC Standing Committee, gave an academic lecture on 7 June in Wuhan entitled "Looking at the Future of Wuhan's Development in terms of the International Politico-Economic Situation." In the lecture, Huan Xiang advanced some theories on the vitality of the capitalist world and the relations between socialism and capitalism in the world economy which differ from the views of run-of-the-mill CPC members. His theories are worthy of attention.

On the vitality of the capitalist world, Huan Xiang declared: "The development of the economy of the capitalist world today has a great influence on us, and many of our views on the world as a whole should be changed. When looked at today, our formulation that 'imperialism will soon perish; socialism will soon win a total victory,' for instance, is perhaps unrealistic. In the long-range view, socialism is bound to replace capitalism, but in terms of today's world situation as a whole, one should say that capitalism and socialism will, for a fairly long time to come, say, 50 years or even a little longer, coexist, because the capitalist system still has the potential of self-adjustment and a certain vitality."

On the relations between socialism and capitalism in the world economy, he declared: "Our practice of closing the gate and locking the country naturally had its intrinsic and extrinsic factors, but, in terms of today's practical conditions, our past theory of two parallel markets, one socialist and one capitalist, was also a factor. The Soviet Union is still willing to cooperate with the Western market. In terms of the world as a whole, it is still a unitary market, which is naturally dominated by capitalism and imperialism. Today, one should also say that we are a part of this unitary market, because we are inseparable from it, and naturally it is also inseparable from us. On this issue, we need a clear-cut understanding in our minds. Only thus will we be able to

correctly assess our economic relations with the capitalist world." (See "Appendix" for the main part of Huan Xiang's "Wuhan Lecture.")

#### The "Death Sentence" Pronounced by Lenin

The theory that capitalism is in the dying phase was proposed by Lenin at the start of World War I. According to Lenin himself, as early as November 1914, Kautsky already opposed the basic idea of his definition of imperialism, thereby indicating that he proposed his idea on imperialism at least prior to November 1914. Just what was Lenin's assessment of imperialism? He declared that "the period of capitalist-imperialism is the period when capitalism has matured and finds itself in decline. Capitalism is on the eve of collapse and has matured to the extent of having to yield to socialism." (See Lenin's "Opportunism and the Bankruptcy of the Second International," January 1916).

In the passage cited, Lenin stated very clearly that the period of imperialism is "the decline" of capitalism. Almost at the same time, i.e., the spring of 1916, Lenin completed in (Zurich), Switzerland, his famous treatise on imperialism, "Imperialism Is the Peak Phase of Capitalism." In the treatise, Lenin declared that imperialism is the peak phase of capitalism and the period when capitalism transits to socialism. Therefore, he called it "transitional capitalism," or "dying capitalism."

His interpretation at the time was indeed an amazing prediction, because Russia's October Revolution erupted less than 2 years later, and the first socialist country emerged in the world, thereby confirming Lenin's prediction. Subsequently, even in the thirties and the early forties, people still had grounds to believe in his prediction, because capitalism caused the outbreak of the unprecedented 1929-1933 Great Depression in its dollar empire, the United States; Japan invaded China in 1931 and 1937; Italy launched a war against Ethiopia in 1934; Germany marched into Austria and Czechoslovakia's Sudetenland; and finally World War II erupted in 1939.

Nevertheless, beginning in the fifties, Lenin's prediction of bygone days was gradually cast aside by the circumstances. Instead of decline, decay, collapse or a dying state, capitalism flourished like never before, defeating Germany and Japan and growing at an astonishing rate, and even Asia's four little tigers, namely, Hong Kong, Taiwan, Singapore and South Korea, also advanced in leaps and bounds and engendered an amazing economic takeoff.

#### The Gradually Spreading Doubts

In face of such objective facts, West Europe's vanguard thinkers and social activists began to have doubts of Marx's forecast of an inevitable worldwide proletarian revolution and Lenin's prediction of the dying capitalism, and reassessed and negated them. Nevertheless, during this period, the CPC was in the midst of the "10-year calamity" when the worship of dogmatism was at its peak; therefore, it was basically impossible for anyone to touch on such sensitive issues. Only after Hu Yaobang and others advocated "practice as the sole criterion for testing truths" did controversies emerge in the theoretical circles, and whether capitalism was on the verge of death was one of the issues.

As early as November 1979, Huan Xiang wrote "Answers to Several Economic Issues" (XIN SHIQI [NEW ERA], No 2), and he started with the issue of the dying capitalism. His view at the time was that capitalism was "on the verge, but not dead." He wrote: "Some comrades ask: 'Lenin said that imperialism was dying, but why is it not dead yet?' I think that imperialism will not die so soon. One can say that it is on the verge, but not dead."

Huan Xiang is a scholar in the CPC who pays fairly serious attention to the objective reality. He said that he visited America during the Great Depression, and that almost half of the people were unemployed and a desolate atmosphere engulfed the country. He visited America again in 1938, and the conditions had already improved after Roosevelt introduced the "New Deal." After World War II, America and West Europe made new achievements in science and technology, promoting the growth of productive forces. Meanwhile, the economic readjustment policy and the concessions to the worker class won a temporary social stability and development. From these facts, Huan Xiang arrived at the conclusion that capitalism is "on the verge, but not dead."

#### The Theory of "Both Stagnation and Development"

Tao Dayong [7118 1129 6978] is diametrically opposed to Huan Xiang in the CPC's theoretical circles. A Marxist-Leninist who toes the line, Tao Dayong fervently believes in the absolute accuracy of Marxism-Leninism. According to his own words, he gave a lecture in Guilin in the summer of 1978 entitled "Several Issues on the Postwar Imperialist Economy," and afterward, with some additions and omissions of the lecture, wrote the pamphlet "Characteristics of the Postwar Capitalist Economy" (Hunan People's Publishing House, 1981). In the pamphlet, on the basis of a short passage in Lenin's "Imperialism Is the Peak Phase of Capitalism" which states that, though capitalism is moving toward decay, it is not excluded from possible developments in individual branches of industry and individual countries, he came to an intriguing conclusion, i.e., "imperialism is both stagnated and developing."

Tao Dayong wrote: "The fact that, under the conditions of modern capitalism, the development of the imperialist economy manifests both the tendency of stagnation and decay and that of rapid growth at the same time appears to be contradictory, but actually, it is the historical dialectics of the economic and technological developments of contemporary imperialism." He maintained that a thing can be simultaneously stagnated and developing and called it "dialectics." If dialectics is truly thus, it has too strong a resemblance to sophistry. However, when we look at his arguments as a whole, he essentially expressed the following idea: The aspect of capitalism's development belongs to the productive forces, and the aspect of its stagnation and decay belong to production relations. Thus, he produced some facts and figures to piece together a picture of the development of imperialism in productive forces and its stagnation in production relations.

#### No Theory Which Is Always Valid

On the surface, such theory seems to conform to the Marxist view on productive forces and production relations, but actually it imposes the Marxist formula on

the objective reality, and has the same effect as the compliant authors writing novels in conformity with the party policies. It cannot even convince ordinary people, let alone Huan Xiang. Therefore, Huan Xiang not only adheres to date to his theory that capitalism is "on the verge, but not dead," but even goes one step further and openly declares: "The formulation that 'imperialism will soon perish; socialism will soon win a total victory'... is unrealistic." "Capitalism and socialism will, for a fairly long time to come, say, 50 years or even a little longer, coexist."

That Huan Xiang dares to name "50 years or even a little longer" is, I think, based on China's promise in its talks with Britain to preserve Hong Kong's capitalist system for 50 years after it regains sovereignty in 1997. Since the CPC government promises not to change Hong Kong's capitalist system for 63 years henceforth, the inference is that the life expectancy of world capitalism is at least more than 63 years. No one in China dares to assail Huan Xiang's words spoken under this situation.

Actually, these words represent not just his personal view, but also a part of those in the CPC. After introducing the open-door policy, some party members have become more practical, objective and pertinent in their view of the outside world and no longer blindly recite the old formulas and old dogmas.

Any theory in the world has its timeliness, and none is always valid. The period of "validity" of natural science theories is relatively long, while that of social science or humanities theories is much shorter. A theory is a "truth" during a certain period of time, but not a truth in another period. There is absolutely no theory in the world which is an eternal truth. Belonging in the category of religion, the term eternal truth is incompatible with science. Lenin's theory on imperialism glowed with light in the twenties, thirties and forties, because it was advanced in that period. Capitalism progressed from concentration to monopoly, and monopoly led to financial oligarchy and capital export, and the division and redivision of colonies, resulting in the great wars between imperialist countries. In Lenin's view, monopoly of capital and concentration of production were the portents of the transition of capitalism toward socialism, while imperialist wars were the graves dug by capitalism itself; therefore, wars inevitably led to revolution. That Lenin regarded imperialism as the peak phase of capitalism, the final or dying phase, was deduced from the theory discussed above.

#### Lenin's Theory Overthrown by Postwar Facts

Nevertheless, today everyone knows that there will absolutely be no war between America and England, Germany or Japan. If there should be a World War III, it would mostly be touched off by Soviet expansionism, not by the contention over or redivision of colonies among the capitalist powers. The fact is that the colonial era has past. The colossal capital concentration in America has not led to the practice of opening up or occupying colonies. England, the large colonial empire, has almost completely relinquished its former colonies.

Lenin felt that the reason for imperialism to scramble for colonies was to monopolize the raw material producing areas and the markets and carry out

extraeconomic exploitations of the colonies for excess profit in order to feed its own worker-aristocrats and develop its economy. In Lenin's view, the prosperity of the suzerain was built on the extraeconomic exploitation of the colonies. Actually, as the defeated nations after World War II, Germany and Japan lost all their colonies, yet the development of their postwar economy was unusually fast. After relinquishing its colonies, England likewise experienced a period of economic prosperity from the fifties to the seventies. Obviously, the prosperity of capitalism is not necessarily built on the plunder of colonies. Hong Kong is a British colony, yet it outstripped Britain in prosperity. Taiwan, South Korea and Singapore were former colonies of Japan and England. After separating from their suzerains after the war, they did not commit aggression against other countries, yet their economy advanced in leaps and bounds just the same.

The theory that the essence of capitalism is to scramble for raw material production bases is not all true. While raw material is an important source of production and energy, it is not necessary for capitalism to resort to military plunder to seize raw material or its production bases; it may do so through the market. Nor is raw material the exclusive asset of backward countries; America itself is an important production base. It exports cotton and grain to many countries in the world, yet its position in the world economy is not thereby diminished. Much of the raw material of modern industry is re-created, such as the raw material for plastics, synthetic fibers, fiber glass, etc. With the emergence of the re-created raw material, the production bases are far less important than in the twenties and thirties. Naturally, the relations between oil resources and production bases remain extremely close even today; therefore, the Mideast has long been the bone of contention between the Soviet Union and the United States, the two superpowers. Nevertheless, the United States can neither occupy any Mideast country, nor force the Mideast countries to absolute subservience, because it does not promote colonialism and because the age of colonialism has passed. Thus occurred the incidents of "raw material producing" countries imposing sanctions on industrially advanced nations: In 1973, the OPEC gripped the crude oil lifeline of the world and forced a general oil crisis in the developed countries, resulting in a major economic recession.

The theory that the essence of capitalism is to occupy markets also requires concrete analyses. The market is the thoroughfare of commodity exchange. Capitalism needs to open up markets at all times, but it is not equivalent to military occupation. The market is where each other's needs are mutually supplied and the area of economic competition. No country in the world only exports and does not import, nor is there one which imports only raw material or exports only industrial products. America is the largest industrial power in the world and the king of automobile production, yet its domestic automobile market is gradually vanquished and seized by Japan. Its textile market is gradually encountering threats by the products of Hong Kong, South Korea, Taiwan and the PRC, forcing it to resort to import quotas. As a free port and an open market to the whole world, Hong Kong faces no danger of its market being seized by world powers; on the contrary, its products, such as garments, wristwatches and toys, have become a threat to America, England, West Germany and France.

## The End of the Imperialist Era

Great changes have occurred in the 60-plus years since the time of Lenin. Many things which were not clear in Lenin's time have gradually become clear. The passing of the colonial period was equivalent to a pronouncement of the end of the imperialist era. Imperialism was the age of capitalism's military plunder, but today's capitalism is in the age of economic rivalry and scientific and technological competition. Some people in the West called today's capitalism "new capitalism," "welfare capitalism" or "postindustrial society." America's John Nesbit (author of "(The Great Tendency)") calls it the "communication society," and Alvin Toffler describes it as the start of "the third wave." Regardless of the appellative, today's society, in short, is no longer the capitalist society of Lenin's time.

We may say that the capitalism of the Marx era was the period of labor concentration; that of the Lenin era was the period of capital concentration; that of today is the period of technological concentration.

Capitalism in the period of labor concentration was the unrestrained exploitation and extortion of the laborers. Marx's surplus value theory and his theory of the absolute poverty of the worker class both had their background in the inhuman lives of the textile workers of England's Lancashire and the coal miners of Ruhr.

Capitalism of the period of capital concentration was the time of the formation of the financial oligarchies, and its distinctive manifestation was the plunder and extortion of the backward countries by the advanced nations. Lenin's theory on imperialism was born with this background.

The main feature of the capitalism of the period of technological concentration is the large drop in the number of workers and the large increase in technicians. The success of an enterprise mainly depends on technological innovation, not on exploitation of the workers. Knowledge and science and technology are often more important to an enterprise than capital.

### Characteristics of the Period of Technological Concentration

The period of technological concentration began in America in 1965. In that year, an epochal phenomenon which was not earthshaking occurred: Among the employed, the number of technical, managerial and business personnel surpassed the blue-collars for the first time. Thereafter, the number of blue-collars gradually dropped. To date, only 13 percent of the labor force in America are engaged in manufacturing, while specialists, such as engineers, computer programmers, system analysts, architects, accountants, secretaries, stockbrokers, managers, insurance personnel, banking personnel and teachers exceed 60 percent. The drop in the number of blue-collars has led to the decline of the power of America's labor unions which are mainly composed of blue-collars, and the likelihood of a proletarian revolution has also diminished.

In the period of technological concentration, an enterprise may not necessarily succeed with capital alone. The secret of success mainly rests with technological breakthroughs and innovations. Superprofit is achieved mostly by the

continuous improvement of technology, and not by exploiting the surplus labor of the workers. Robert Nuosi, [surname phonetic] inventor of the integrated circuit, for instance, left the Fairchild semiconductor corporation in 1968 and, in partnership with Gordon More, created the Yingteer Corporation [phonetic] with a capital of \$2.5 million. By 1980, the annual sales of the corporation reached \$850 million. Discussing the semiconductor industry, Nuosi said: "Different from the steel and automobile industries, it has never been an oligarchic monopoly. It has always been an industry of brain power concentration, not one of capital concentration." The electronics industry wins by intelligence. Whoever is excelling in technology and developing a new generation of computers is in a position to overcome competition and amass wealth.

#### The Future World of Electronics

The growth of the electronics industry has indeed opened a new era for the society of mankind. Only with its growth have there been satellites. The satellite has not only opened the way for man's development toward the outer space, but also reduced the distance in the world we live in today to the infinitesimal. Every program of the Olympic competitions appeared instantaneously before the eyes of every rich or poor resident of Hong Kong. Deng Xiaoping's "sheer nonsense" scene was instantaneously seen clearly by the Hong Kong people. Picking up the telephone at home, we can talk to friends anywhere in the world. (In Hong Kong, the IDD registration procedure must first be completed, but there is no need for such procedure in many advanced countries)...

In Hong Kong today, television viewing is still limited by the stations, but the number of stations in America has grown from 2,300 to 5,300. The development of the video recorder not only has given the viewers a greater freedom in program selection, but, according to prediction, television in the future will not depend on station broadcasting alone, and the viewers may select their preferences from the "video storehouse." Perhaps in the future, television will be hooked up to the personal computer, conducive to both pleasure and memory. By that time, today's schools, libraries and newspapers may become obsolete. People may connect their personal computers with the world knowledge storehouse and choose freely the desired educational programs, books, newspapers, periodicals, telecommunications, materials....

When I visited America a few years ago, I found that the practice of free choice of office hours had become commonplace. Office workers may choose morning, afternoon or evening to go to work. Today, America has started the practice of working for the company and producing for the plant at home. As long as one installs a telecommunications equipment at home, one can connect it with the computer in the company or plant. Thus, people are predicting the age of "electronic family" will soon arrive. Tremendous changes will occur in the future offices and plants, and secretaries, filing cabinets and typewriters will disappear. Plants will no longer be places filled with the deafening noises of machinery; their bulk will be reduced, to the extent that they can be moved to outer space, utilizing the sun as an inexhaustible source of energy and manufacturing in a state of weightlessness many things which cannot be made on earth today, or they can be moved to the ocean, utilizing the hydrogen in the sea as the source of energy, thereby leading to space and ocean cities.

Today, these conceptions seem to be the stuff of "Arabian Nights," but the satellites and the space shuttles were also "Arabian Nights" some 20 years ago. Russia launched the first satellite in 1957, but the Hong Kong people at that time were still in the age of atomic radios. Nesbit traces the history of his "communication society" to 1956-1957, and it has only been 27 or 28 years, shorter than the history of the China founded by the CPC, but how rapid has been the development of the communications technology in the world! It indicates that, instead of the "dying phase" as claimed by Lenin, or "on the verge, but not dead" as maintained by Huan Xiang 6 years ago, capitalism still has a fairly healthy vitality. On the other hand, the proletarian revolution predicted by Marx and Lenin will grow even more distant in the "communication society."

#### Only One Capitalist Market in the World

The world we find ourselves in today is: Capitalism will not perish, but nor will the socialism of the communist party lightly withdraw from the historical arena. Since such is the situation, the political leaders of the two societies, except the Soviet Union, rather sensibly incline toward the path of peaceful coexistence. Thus, Mao Zedong, who had denounced America as a paper tiger, laid the way for establishing diplomatic relations with America by means of the "pingpong diplomacy," and Nixon and Reagan, who were most anti-communist, traveled a great distance to China. The concrete expressions of peaceful co-existence are, first, economic contact and scientific and technological interchange and next, cultural interchange and contact between people. Contact and interchange are most important in improving mutual understanding. In China, it has only been 6 years since such contact and interchange were opened, but the minds of many CPC members have been enlightened, and they have begun to express their true impressions.

According to Huan Xiang, it was thought in the past that there were two parallel markets in the world--the socialist market and the capitalist market, but it was the viewpoint of closing the gate and locking the country. Actually, there is only one unitary market in the world, and China is only a part of this unitary market in the world, and China is only a part of this unitary market dominated by capitalism.

That Huan Xiang could openly utter these words was, in terms of the CPC's official news media, novel and bold. It was equivalent to admitting that, if China wishes to have international trade, it is necessary to have contact mainly with capitalism, as the socialist countries still do not amount to much in the world market. This view is rather practical.

The market requires naturally formed prices compatible with the law of world supply and demand and publicly recognized circulating currencies. Looking at socialism in terms of these two requirements, we may say that socialism has never had a market of a world nature. Not only unacceptable in the capitalist world, but the Russian ruble and Chinese renminbi are not circulated in socialist countries. China will not accept the ruble as a circulating currency, nor will Russia accept the renminbi. Unless resorting to primitive bartering, China and Russia, when trading, must use capitalist currencies (e.g., U.S. dollar,

British pound, French franc and German mark) as the criteria of pricing and the standard of account settling. It is likewise in China's trade with East European countries. Strictly speaking, there are no parallel socialist and capitalist markets in the world, nor is there a common socialist and capitalist unitary market. There is only one market, which is the capitalist market. The socialist countries merely trade with capitalism through its world market, or with other socialist countries by means of the price and currency criteria of the capitalist world market.

I wonder whether Mr Huan Xiang agrees with me.

#### Huan Xiang's Views

Hong Kong CHENG MING [CONTENDING] in Chinese No 83, Sep 84 pp 49-50

[Article by Huan Xiang: "On the International Diplomatic and Strategic Patterns"]

[Text] Editor's note: The following is a part of the academic lecture delivered on 7 June in Wuhan by Huan Xiang, the well-known political commentator on international issues.

#### The Great Sino-U.S.-Soviet Triangle and the Development of the International Situation

What decides the development of the international situation today is the "great triangular relation" of China, the United States and the Soviet Union. Under it, there are two "four-corner relations," namely, the "four-corner relation" between China, the Soviet Union, the United States and Japan in the Asian region, and that between the United States, the Soviet Union, West Europe and East Europe in Europe. It is possible for the "four-corner relations" to produce tremendous impacts on the development of the world situation. The relations between the north and the south, especially the difficulties found in the Third World nations today, will also exert an enormous influence. However, for a considerable period of time to come, what will be truly decisive can only be the Sino-U.S.-Soviet "great triangular relation."

In terms of Sino-U.S. relations, though Premier Zhao Ziyang's trip to America and Reagan's trip to China created a favorable atmosphere to a certain extent, it will be premature to feel that Sino-U.S. relations have matured. The key factor here is the U.S. adherence to the so-called Taiwan Relations Act. On the issue of selling arms to Taiwan, the United States failed to fulfill its promise in the "17 August" communique. It only reduced \$20 million in its arms supply to Taiwan last year. Thus computed, it will take 80 years before the cessation of the arms trade. In terms of the transfer of technology, the United States has indeed lifted some restrictions, but they do not involve any important technology. It has made hardly any concession when it comes to the transfer of truly important technology. It even stringently restricts our students in America in the study of relatively advanced things. Under this situation, it is impossible for Sino-U.S. relations to make any great progress.

In terms of Sino-Soviet relations, the postponement of Soviet First Deputy Premier Arkhipov's trip to China was, according to Soviet government sources, because preparations were not yet completed. Since he served as the chief of the Soviet advisory group to China in the fifties, has many Chinese friends and knows many Chinese leaders well, Arkhipov naturally would need more time to make preparations. This is understandable. Nevertheless, simultaneous with the postponement of the trip, the Soviet Union supported Vietnam and opposed China by actually "censuring" China for its just act in launching a counter-attack on the Sino-Vietnamese border against the Vietnamese military provocations. The Soviet support of Vietnam is not out of its friendship for Vietnam, but because, starting from the Asian Pacific military strategic situation as a whole, it urgently needs Vietnam's Cam Ranh Bay and Xiangang naval bases. On our side, we sincerely desire to improve relations. However, we are not impatient; we will wait and we can wait. The substantial issues of the "three big obstacles" all require solution, for otherwise it will be impossible to have any significant improvement in Sino-Soviet relations.

In terms of U.S.-Soviet relations, they are very tense. Many people in the world, especially the Japanese and Europeans, feel that the potential of a world war is much greater than before. Indeed, the war preparations of the two sides are escalating. The situation is first manifested in the changing strategic thinking of the Soviet Union and the United States. In the past 2 years, especially from the second half of last year to date, we can see from the articles written by American and Soviet military scientists and strategists the feeling of some people that a limited nuclear war is conceivable, not inconceivable. With the advance of today's technology, the accuracy of nuclear war, instead of being spread to the cities, can be confined to military targets. Currently, both sides are escalating coordinated actual combat deployments on the various battlefields. In terms of the Soviet Union, the European and the Asian Pacific battlefields were operations on two fronts in the past and, for the United States, the Atlantic and Pacific coasts were also thus. Today, the two-front operation has gradually consolidated into one program. In other words, a war in Europe will also be fought in Asia, and vice versa, a war in Asia will also be fought in Europe. The command deployments of both sides are beginning to move in this direction. Meanwhile, both sides are deploying intermediate-range missiles in the European theater of operations and beginning to do the same in Asia. When the combat preparations are carried out on such a large scale, no one can feel unconcerned.

On the other hand, the United States and the Soviet Union have also opened many back doors and made frequent contacts. Though there has been no result to date, it indicates that both sides, with swords drawn and bows bent, are still able to exercise restraint. Moreover, their preparations are not yet mature, and the potential of war is not yet great. It is estimated that, in the coming decade or more, U.S.-Soviet relations and the East-West conflict will perhaps continue as is, alternately tensing and easing. As long as the people of the whole world rally together and defend peace, it is not impossible to prevent war.

According to the above analysis, it is estimated that, before the end of the century, the international diplomatic and strategic patterns formed today will

not show any great changes, though minor ones cannot be ruled out. From the angle of war and peace, we must still focus our work on readying ourselves for war. Thus, in military affairs, we must strive to modernize and, in economics, we must race against time and build a powerful industrial base, so that our economic work hereafter will truly be able to improve the people's living standard in peacetime and convert immediately to the military course in case of war.

#### Many Views of the World Which Should Be Changed

The economic development of the capitalist world today exerts a great influence on us, and many of our views of the world should be revised. When looked at today, our formulation that "imperialism will soon perish; socialism will soon win a total victory," for instance, is perhaps unrealistic. In the long range view, socialism is bound to replace capitalism, but, in terms of the today's world situation as a whole, one should say that capitalism and socialism will, for a fairly long time to come, say, 50 years or even a little longer, coexist, because the capitalist system still has the potential of self-adjustment and a certain vitality.

Our practice of closing the gate and locking the country naturally had its intrinsic and extrinsic factors, but, in terms of today's practical conditions, our past theory of two parallel markets, one socialist and one capitalist, was also a factor. The Soviet Union is still willing to cooperate with the Western market. In terms of the world as a whole, it is still a unitary market, which is naturally dominated by capitalism and imperialism. Today, one should say that we are a part of this unitary market, because we are inseparable from it and naturally it is also inseparable from us. On this issue, we need a clear-cut understanding in our minds. Only thus will we be able to correctly assess our economic relations with the capitalist world.

The capitalist economy has traveled for more than a year from the valley of recession to the path of recovery. The rate of inflation in developed capitalist countries averages around 4 percent, a big drop from the previous double-digit inflation. On the other hand, its recovery is achieved by means of the policy of high interest rate, high U.S. dollar exchange rate and high budget deficit. U.S. budget deficit today is around \$200 billion per annum. The United States uses such high deficits to raise funds and enable the economy to run smoothly by reducing inflation. It raised the interest rate for its own benefit, and there is a tendency of raising it even higher. Under this situation, the recovery of the entire capitalist world motivated by its recovery will, according to general estimate, regress next year and inflation will rise again. However, people estimate that there will be no problem this year, because Reagan, campaigning for reelection, is bound to do everything possible to maintain the economic growth rate.

How China utilizes the periodic changes of capitalism is an important task today.

1. The interest rate on short-term foreign loans is high. It is naturally very dangerous to plan our long-range construction on such short-term loans. However,

it is not too undesirable if we obtain some short-term high interest loans for temporary turnovers.

2. The recovery of the world capitalist economy will not endure; therefore, the buyer's market will remain.

3. The U.S. high interest rate policy will not and cannot change in the near future, because the conditions of its budget deficits and national debts cannot change. Perhaps there is no way for its interest rate to change in the next year or 2. We must have a clear-cut understanding of this point.

4. The United States is in the course of restructuring its economy. There are indeed some fairly advanced machineries, or machineries which have been manufactured but not used, which will be sold as seconds. Such conditions can be utilized by us. However, we must keep in mind the fact we must not raise funds for our domestic long-term economic construction by means of short-term high interest foreign loans.

While criticizing the theory of two parallel markets, we must also learn from the capitalist economy many things useful to us, even certain methods of planning. Its multinational corporations, for instance, are gigantic and their branches numerous. Without proper planning, such corporations cannot even operate for 1 day. Neither compulsory, nor completely referential, its planning has a certain practical nature and is slightly compulsory, but not completely so. The planning method of the multinational corporations is worthy of consideration.

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HONG KONG MEDIA ON CHINA

FORCED RETIREMENT OF OLD CADRES IN CHINA DECREED

Hong Kong CHENG MING [CONTENDING] in Chinese No 83, Sep 84 p 79

[Article in "Internal News" column by Hsu Lai: "Document on Forced Retirement Says All Persons Who Are 60 Years Old Will Without Exception Retire Next Year"]

[Text] The Chinese communists' problem of retirement of old cadres is taking a long time to solve. Although the central authorities have raised this issue time and again, circumstances have not changed much in organizations at all levels and some of them have simply become like old folks homes. This situation has become an obstacle to the promotion of young, promising cadres to major posts and to the pursuit of the policy of making cadres younger in average age and better educated.

The reform faction headed by Deng Xiaoping, Hu Yaobang, and Zhao Ziyang are very dissatisfied about this situation, even though Mr Deng is in his eighties himself.

Recently the central authorities sent down a document calling on cadres throughout the country below ministerial level who have reached the age of 60 to retire next year. This is both compulsory and arbitrary. If there are a few exceptions, it is believed they will be for persons in foreign affairs, because there are too few people who possess diplomatic experience, so certain persons over 60 may "have the good fortune to escape."

For persons who are loath to leave power and position, this document is grievous news. For young cadres with talent, it is glad tidings.

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XINHUA DEPUTY DIRECTOR IN HONG KONG SAID TO BE RECALLED

Hong Kong CHENG MING [CONTENDING] in Chinese No 83, Sep 84 p 79

[Article in "Internal News" column by Teng Mei: 'Leftist' Official in Hong Kong Transferred North"]

[Text] In 19 August reports by the "leftist newspapers" in Hong Kong on a cocktail party on the anniversary of the establishment of the Guangda Company, there was a namelist of the deputy directors of the [Hong Kong Office of] the XINHUA News Agency at the cocktail party, and the arrangement of this namelist was different from those in the past. The arrangement this time was: Li Chuwen [2621 0328 2429], Cao Weilian [2580 4850 1670], Ye Feng [5509 6912], and Chen Baijian [7115 0130 1017]. The Communist Party has always attached extreme importance to the order in which names are arranged. Therefore, this arrangement of the names of the XINHUA News Agency deputy directors drew a lot of attention. People are asking: Have personnel changes occurred?

It is said that some persons have been transferred north.

Among them is one Luo [5012], who in the past had a lot of authority. When [Director] Xu Jiatun [6079 1367 1470] went north, Luo appeared in the posture of acting director. This transfer north is related to his "leftist" ways. When Luo Bao [5012 0202] put forward a motion, this Luo stirred up news circles by fiercely attacking the other Luo [5012]. At that time, Xia Jiatun was in Beijing, and after he heard the news of this affair he was perplexed. Probably he feared another spasm in Hong Kong of using united front methods to drag out "rightist scholars." Because the "leftists" in commenting on Luo Bao's motion had drawn out the "pen" to help Luo Bao, Jia counterattacked the "leftist newspapers," so that the efforts of the united front were wasted overnight. It is said that for a period in the past, when the Hong Kong "leftist newspapers," were ruthless and tyrannical, did not distinguish "red, black, and white" in affixing political labels, and wielded the big stick wildly, this behavior was connected more or less to that "leftist" director [deputy]. Therefore, he was the first on the namelist of those transferred north.

Li Jusheng [2621 5418 3932], another responsible person in the Hong Kong office of XINHUA, is preparing to retire, and he will probably become an advisor in a foreign affairs organization or an Overseas Chinese affairs or Hong Kong affairs organization. As to who will be the Chinese side's member in the Sino-British Liaison Group, a final decision has not yet been made.

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HONG KONG MEDIA ON CHINA

CHINA PERMITS DEFECTORS TO VISIT RELATIVES ON MAINLAND

Hong Kong CHENG MING [CONTENDING] in Chinese No 83, Sep 84 p 79

[Article in "Internal News" column by Ying Ying: "'Defectors' Can Return to China"]

[Text] Recently Zhuo Changren [0587 7022 0088] and five other airplane hijackers were released by South Korea and came to Taiwan. This writer paid a call on a friend who worked in foreign affairs, and I asked him: If hijackers and defectors once "repent of their past misdeeds" can they return to China?

His answer was:

These years there are many personnel from the mainland who go abroad and "defect" or "go missing." Even though these persons have left the motherland and their hometowns, they have relatives in China, and the great majority of them still love the country and their hometowns. Some of them have studied while abroad, and still think of returning to China to work for the four modernizations. Focusing on this situation, the Chinese communists have adopted a "lenient" policy, and long ago issued a document, stipulating that a "defector" who for the last 5 years has done nothing detrimental to the motherland may return to China to visit relatives, and he will be treated the same as an Overseas Chinese. A "missing" person who for 1 year has done nothing detrimental to the motherland may also return to China to visit relatives, and he will be treated the same as an Overseas Chinese.

"However," my friend said, "the document of the central authorities did not mention hijackers, and as for how their problem will be treated I don't know."

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